

Program Summary

The City of Atlanta (City) is collaborating with the Atlanta Development Authority (ADA) and the Atlanta Neighborhood Development Partnerships (ANDP) to form the City of Atlanta Consortium (the Consortium). The City will be the Lead Member. The Consortium has three for-profit Partners. All have been selected for their experience and financial and technical capacity. The Macallan Group, LLC and the NorSouth Companies are a part of the ANDP team. The third Partner is the Integral Group, LLC. Each Consortium Member and Partner has successfully completed 75 or more units of housing in the various NSP2 Activity areas during the period May 2007 through May 2009. Signed Consortium Agreements for each Member and Letters of Commitment by the Partners are included in the Attachments of this application.

The Consortium is requesting \$57,944,444 in NSP2 funding to address neighborhoods that are in decline due to the impact of property foreclosures. Funds will be utilized to arrest neighborhood decline and stabilize the areas for future development and growth opportunities. The activities proposed within the Consortium's NSP2 application will meet the following CDBG NSP2 national objectives:

1. Provides or improves permanent residential structures that will be occupied by a household whose income is at or below 120 percent of area median income (LMMH); and,
2. Serves an area in which at least 51 percent of the residents have incomes at or below 120 percent of area median income (LMMA).

Additionally, the Consortium will ensure that at least 25% of the requested NSP funds (\$14,486.111) will be allocated to support program activities benefitting households at or below 50% of the AMI.

The Target Geography consists of 49 census tracts within the city limits of the City of Atlanta. The aggregate score of the Target Geography is a 19.08. The census tracts were selected based on Foreclosure Risk Score or Vacancy Risk Score, marketability of potential homes and properties for sale or rent, previous federal investment in the area to support or be supported by NSP2 investment, ability to support leverage of additional funds or programs to support NSP2 investment.

The Consortium proposes to stabilize the Target Geography by implementing a program that includes NSP2 Activities A, B, C, D, and E, as follows:

Activity		Budget Allocation
A	Financing Mechanisms	\$2,000,000
B	Acquisition, Rehabilitation Disposition	\$24,250,000
C	Land Banking	\$1,500,000
D	Demolition	\$2,000,000
E	Redevelopment	\$22,400,000
F	Planning and Administration	\$5,794,444
	TOTAL	\$57,944,444

Approximately \$136 million in non-federal funds will be leveraged with NSP2, at least 25% will be allocated to impact foreclosed units for households below 50% AMI. All program income generated will be recycled to produce additional NSP2 units.

The focus will be on Single-Family Homeownership, Small Multi-Family Rental, Large Multi-Family Rental, Demolition of Blight to support NSP investment, and Land Banking for Future Development. The units that we will produce are described as follows:

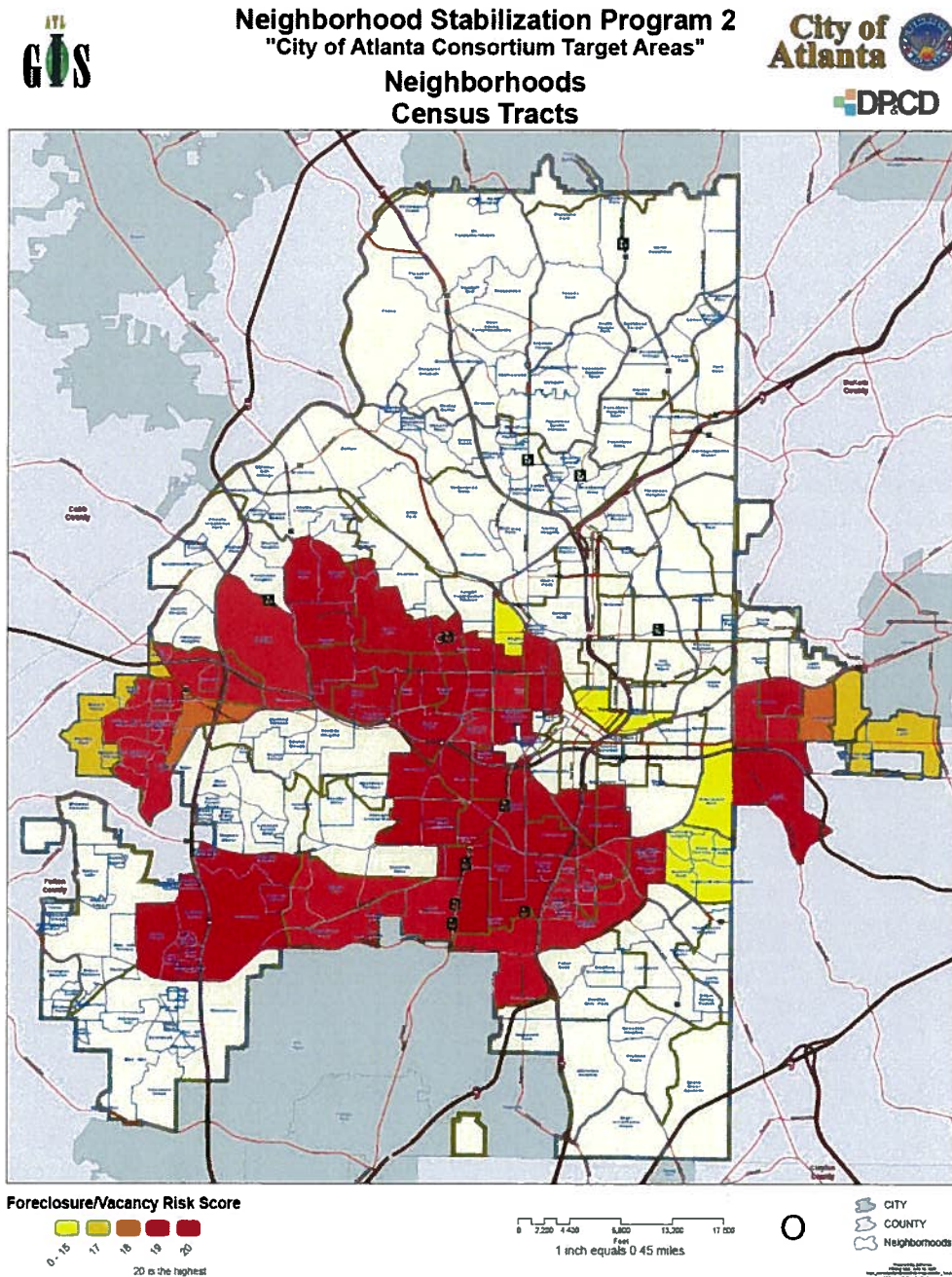
Units of Production	0-50% AMI	51-120% AMI	Total
Single-Family	40	26	300
Multifamily	300	430	730
Demolition	n/a	n/a	200
Land Banking	n/a	n/a	30
TOTAL	331	690	1260

This proposal provides for the expenditure of 50% of the grant award with two years, and the balance by the end of three years.

RATING FACTOR 1: Need/Extent of the Problem

1a. Target Geography

The City of Atlanta, Georgia Consortium (the Consortium) has selected a Target Geography that consists of 49 census tracts, broken into five geographical areas within the incorporated limits of the City of Atlanta. The aggregate score of the Target Geography is a 19.08 and the submission number is 483062524.



The census tracts have been divided into 5 groups or submarkets for purposes of data collection and market analysis. The geographical areas were chosen based on the HUD NSP2 foreclosure and/or vacancy risk score, community marketability, previous or existing Federal investment, synchronization with existing redevelopment plans or studies, and proximity to transit, retail and services. The following table identifies the selected census tracts by group.

Geographic Group	Predominate Zip Code	County	Census Tract	Neighborhood Stabilization Index Score
1	30317	DeKalb	205	19
1	30307	DeKalb	206	20
1	30317	DeKalb	207	18
1	30317	DeKalb	208.1	17
1	30317	DeKalb	208.2	17
1	30316	DeKalb	209	19
1	30303	Fulton	8	20
1	30303	Fulton	27	18
1	30312	Fulton	33	13
2	30316	Fulton	52	15
2	30315	Fulton	55.01	20
2	30315	Fulton	55.02	19
2	30315	Fulton	56	20
2	30315	Fulton	64	20
2	30315	Fulton	67	19
2	30316	Fulton	69	15
3	30318	Fulton	22	20
3	30314	Fulton	23	20
3	30314	Fulton	24	20
3	30314	Fulton	25	19
3	30314	Fulton	26	20
3	30314	Fulton	38	19
3	30314	Fulton	39	19
3	31314	Fulton	40	20
3	31310	Fulton	41	20
3	31310	Fulton	42	20
3	30310	Fulton	57	20
3	31310	Fulton	58	20
3	31310	Fulton	60	20
3	31310	Fulton	61	20
3	31310	Fulton	62	20
3	30310	Fulton	63	20
3	31314	Fulton	84	20
4	30336	Fulton	78.05	17
4	30331	Fulton	78.06	19
4	30331	Fulton	78.07	19
4	30331	Fulton	78.08	18
4	30318	Fulton	82.01	19
4	30314	Fulton	83.01	20
4	30314	Fulton	83.02	20
4	30318	Fulton	85	20
4	30318	Fulton	86.01	20
5	30310	Fulton	65	20
5	30310	Fulton	66.01	20
5	30310	Fulton	66.02	20
5	30315	Fulton	75	19
5	30310	Fulton	76.01	19
5	30311	Fulton	76.02	19
5	30311	Fulton	77.01	20

Local Housing Market

To understand the nature of the decline that is occurring in the Target Geography, it may be useful to revisit market conditions that preceded the current foreclosure crisis. In 2006, Atlanta Mayor Shirley Franklin commissioned the Affordable Workforce Housing Implementation Task Force to address a runaway housing market where the city's working class families were being priced out of home ownership and decent rental opportunities within the City. High land costs and the over-production of expensive new houses were rendering Atlanta a place where only upper management and executive-level personnel could afford to live. Worse yet, concealed from scrutiny, the roots of subprime lending and mortgage fraud, now easily identifiable, were becoming entrenched in customary market behavior.

Among its findings, the Task Force reported the following facts: the median value of a home in the City in 2000 was \$144,000; however, by 2002, the average sales price of a home in the City was \$243,000, a 68% increase. The majority of new home prices were exceeding \$200,000. Resales exceeded \$165,000. Relative to the rest of the metro area, the City of Atlanta had fewer home values in the affordable range of one to two hundred thousand dollars. For ownership options, City of Atlanta households typically needed to earn \$50,000 to \$80,000 to own homes in the \$150,000 to \$250,000 range of affordability. Unfortunately, over 75% of City households earned less than \$80,000. It was concluded that the result of the then-current situation translated into a clear income hurdle for City residents and that assistance would be needed for the development of housing affordable to Atlanta's workforce.

During the time that the Mayor was formulating the workforce housing strategy that would dominate stakeholder efforts for the ensuing years, ANDP published its "Making the Case for Mixed Income and Mixed Use Communities (MICI Report)". It became a two-part analysis of the state of metropolitan Atlanta's affordable housing market. The 2004 report summarized several groundbreaking studies of housing trends and projected need. One such study, by Dr. David Sawicki at Georgia Tech, took the unprecedented step of looking at all the jobs in Atlanta's 23 job centers, how much they pay, and the cost and availability of housing within a reasonable commute of those jobs. It was found that two-thirds of the jobs paid less than \$40,000 per year. Further, fully one-third of all households make no more than \$40,000 per year. In contrast, homes near these job centers tend to be "executive housing," homes that are affordable to senior managers and other high-salaried professionals. The Sawicki study found that, based on what people actually earn, those making less than \$40,000 annually faced a shortage of roughly 185,000 units that are both affordable and readily accessible to job centers, either by a car trip of several miles or a transit ride.

Other research identified trends that exacerbated the problem: rising demand for housing near job centers having the effect of driving up home prices, and a skewing of the market toward construction of higher-end housing. There are indications now that the high end of the market was overbuilt. While the affordability problem was most acute for the lower third of household incomes, the research also found that homes closer to the core and/or job centers were

becoming increasingly out of reach for more solidly middle-income earners, from teachers to police to low level managers. The average price of a house in the City of Atlanta, for example, had jumped above \$243,000, well beyond the means of such workers. The total shortage of homes in the metro area affordable to this broader range of incomes was 305,000 units. The study commented that the housing picture [was] especially dim for those households making \$20,000 or less, such as cashiers and janitors. Research done for the 2006 report found 211,517 such households in the 10-county metro core, but only 87,000 dwellings with monthly rental ownership costs at \$500 or less—a level affordable to households earning less than \$20,000 annually.

Credit Markets

A study of foreclosures and mortgage lending in 13 counties in Georgia by The Atlanta Journal-Constitution (AJC) concluded that subprime lending has been the major reason for large numbers of foreclosed homes in Atlanta's neighborhoods.¹ The AJC studied other possible reasons for foreclosures and probable predictors of foreclosure patterns, such as home value, race and income; the subprime lending factor, however, overwhelmed the other factors. National statistics tend to support this supposition. In its first annual report of activity under the National Foreclosure Mitigation Program, NeighborWorks reported that nearly half of all its clients (pre-foreclosure homeowners) held a fixed rate mortgage (49%), while 40% held an adjustable rate mortgage (ARM). However, only 20% of mortgages nationwide are ARMs, while 69% are fixed-rate mortgages.² While prime lenders do issue ARM mortgages, the high rate of them in Atlanta is loosely correlated to a high rate of subprime lending. The use of adjustable rate mortgages also demonstrates a high cost of ownership in the City; adjustable rate mortgages provide a more affordable option than a conventional fixed rate mortgage at the outset. In the initial years leading up to the time that interest rates would reset, however, home values had started to stagnate. By 2007 and 2008, it was evident that these mortgages had fueled the start of the foreclosure crisis in Atlanta, as in the rest of the country. With the meltdown of the credit markets, homebuyers seeking financing are struggling to secure a mortgage. And since Atlanta has consistently ranked high in the number of foreclosures in comparison to other cities, homebuyers here are struggling more than most to find financing options.

Employment as an Impact on Declining Neighborhoods

In a recent report, researchers at the Federal Reserve Bank of Boston argued that unemployment is driving foreclosures. They recommended that anti-foreclosure policy should focus on helping unemployed homeowners.³

¹ AJC.com, www.ajc.com/business/content/business/stories/2007/11/29/harvard_1129.html

² NeighborWorks, February 25, 2009, <http://www.nw.org/Network/pubs/alert/documents/FinalReportcovermemo.pdf>

³ <http://www.examiner.com/blog/printexaminerarticles.cfm?section=examiners&blogtype=examiners§ion=examiners&mode=alias&blogid=13259&blogURL=Atlanta-Mortgage-Examiner&byYear=2009&byMonth=6&byDay=10&byAlias=Foreclosures-rise-with-unemployment--Geithner-says-more-time-is-needed>

On February 25, 2009, NeighborWorks reported on a full year's results achieved under its National Foreclosure Mitigation Counseling (NFMC) Program. Having provided foreclosure prevention counseling to 315,410 struggling homeowners, NeighborWorks is positioned to comment on actual behavior under difficult market conditions. Forty-five percent (45%) of homeowners seeking NFMC Program counseling reported the reason they defaulted on their mortgage was a reduction in or loss of income. This was up four percentage points from the October quarterly report. Only 7% reported they were in default because their loan payment had increased, down from 9% previously.⁴

Georgia Department of Labor officials have reported that first-time claims for unemployment insurance in Georgia increased in May (over April 2009), but at a rate that suggested the pace of job losses may be slowing across the state. As Georgians collecting unemployment do so for longer, the state insurance trust fund balance fell by more than \$369.4 million from January through May. The latest claims point to an employment picture that's improving, but still has a long way to go, Labor Commissioner Michael Thurmond said. "Fewer Georgians are losing their jobs," he said. "However, for those who are unemployed, they're remaining without work for longer periods." In the month of May saw 75,436 first-time claims by laid off workers statewide, which is 68.7 percent increase from last May. It's the second month of double-digit year-over-year increases.

In general, more focus is now fixed on housing and foreclosures. Factors that recently looked like major positives for home owners--cheaper gas prices and lower mortgage rates on the back of the Fed's plan to buy \$600 billion of Government Sponsored Entity and mortgage backed security obligations--now look seriously impacted by the scale of emerging job losses (although caveats on single data points apply).⁵

The housing downturn has hit low-income minorities especially hard. With unemployment rates sharply higher among minorities, these households are more likely than others to spend more than half of their incomes on housing. Also, higher shares of minorities live in neighborhoods with elevated foreclosure rates where housing prices have fallen the most.⁶

	2004 In thousands	2005 In thousands	2006 In thousands	2007 In thousands	2008 In thousands	2009 In thousands	2010 In thousands	2011 In thousands
Total Non-Farm Employment	2,266.2	2,336.1	2,402.4	2,452.5	2,425.9	2,300.1	2,258.0	2,282.0
% Change	1.4%	3.1%	2.8%	2.1%	-1.1%	-5.2%	-1.8%	1.1%
Construction	127.7	133.8	139.8	141.0	129.4	106.1	91.4	88.8
% Change	3.6%	4.8%	4.5%	0.9%	-8.2%	-18.0%	-13.9%	-2.8%

⁴ <http://www.nw.org/Network/pubs/alert/documents/FinalReportcovermemo.pdf>

⁵ <http://www.capital-chronicle.com/2008/12/us-employment-data-increases-pressure.html>

⁶ Harvard University Joint Center for Housing Studies., released June 23, 2009
<http://www.housingcrisis.com/tag/foreclosures/>

Unemployment Rate	4.7%	5.2%	4.5%	4.3%	6.0%	9.6%	10.6%	10.3%
% Change	-2.08%	10.64%	-13.46%	-4.44%	39.53%	60.00%	10.42%	-2.83%

Table 1: Source: Georgia State University's Economic Forecasting Center – May 2009

In addition to an overall weak job market, the construction industry has declined precipitously since 2007 and is not projected to grow in the near future. The growth of this industry was fueled by an overheated housing market and the contraction of the housing market has left a disproportionate number of individuals unemployed compared to other sectors in Atlanta.

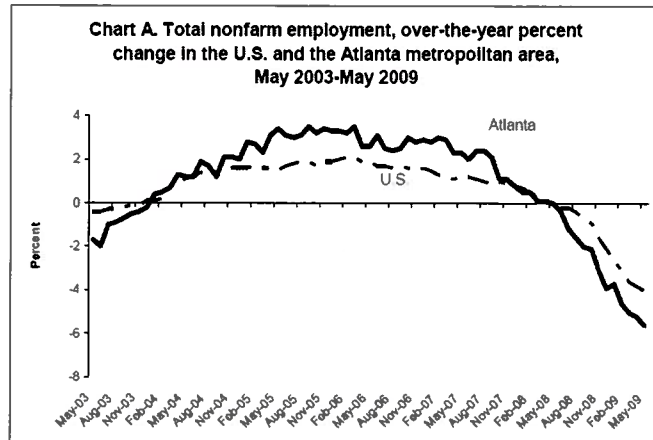


Figure 1A

Nationally, Atlanta ranks second for job loss between May 2008 and May 2009 and is outpacing the rate of job loss nationally.

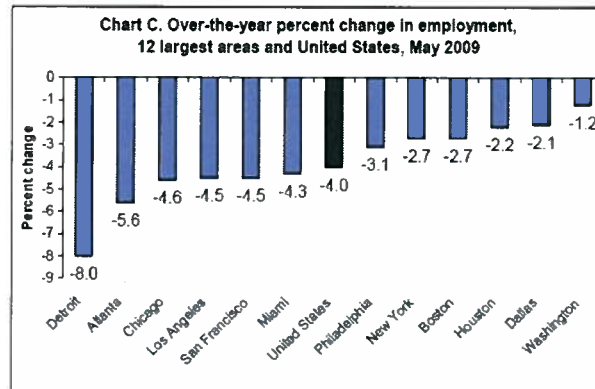


Figure 1B

Source: U.S. Department of Labor - <http://www.bls.gov/ro4/cesatl.pdf>

The foreclosure crisis will continue to grow unabated until job growth returns to the region. Current projections predict that the latter – job growth – will not return for another eighteen months, which presages an ever-growing foreclosure crisis in the Atlanta MSA.

How These Factors Relate to Each Other

The Atlanta Housing Market has been under pressure for several years because of rising home prices and increased use of non-conventional or subprime mortgages. It was then impacted by the collapse of the subprime mortgage market. We are now experiencing a rising rate of unemployment. These factors are weakening intown communities that only recently saw new investment and revitalization. In the absence of new programs to arrest the spread of the foreclosure crisis, these communities will struggle to survive and potentially will become sources of crime and dilapidation. NSP2 provides an opportunity to continue the work of NSP1, by effectively serving the City through stabilization of distressed and declining neighborhoods.

1b. (1) Market Conditions and Demand Factors

In order to determine the absorption rate for the Target Geography, we first derived an estimate of the number of foreclosures as of April 2009 as follows:

Mortgage Foreclosures (Notices) July 2008 to April 2009	
Year	City of Atlanta
(Avg) Jan 2008- Dec 2008	13,292
(Avg) Jan 2009 – April 2009	4,693
Total	17,985

Source: Equity Depot was used to derive the number of foreclosures over a 16-month period from 2008 and 2009.

To determine the absorption rate, we relied on the number of sales that have closed within the various zip codes that encompass the Target Geography over the past twelve months. According to sales data from the First Multiple Listing Services, we calculated the average absorption rate for the target area to be 40 and the average month's inventory is 39.

zip code	Sales 7/1/08- 6/28/09	Absorption rate	Estimated Number of foreclosures	Total months inventory
30312	110	9	510	56
30316	524	44	1246	29
30315	678	57	1967	35
30310	890	74	2390	32
30314	438	37	1374	38
30318	589	49	1677	34
30311	287	24	1132	47
30317	293	24	630	26
30331	488	41	2068	51
Average	477	40	1444	39

Data Source – Atlanta Multiple Listing Service

Based on this calculation we reasonably project it would take 39 months to absorb the current inventory of foreclosed homes. However, this does not consider the ongoing and compounding number of foreclosures that happen monthly.

If we assume that the total number of foreclosures over a 12-month period is 13,292, as shown above, on average an additional 1,108 foreclosed properties would hit the Atlanta market every month. Over a three-year period, an additional 39,888 foreclosures would saturate the current inventory of homes in the target area thus negatively affecting our absorption rate.

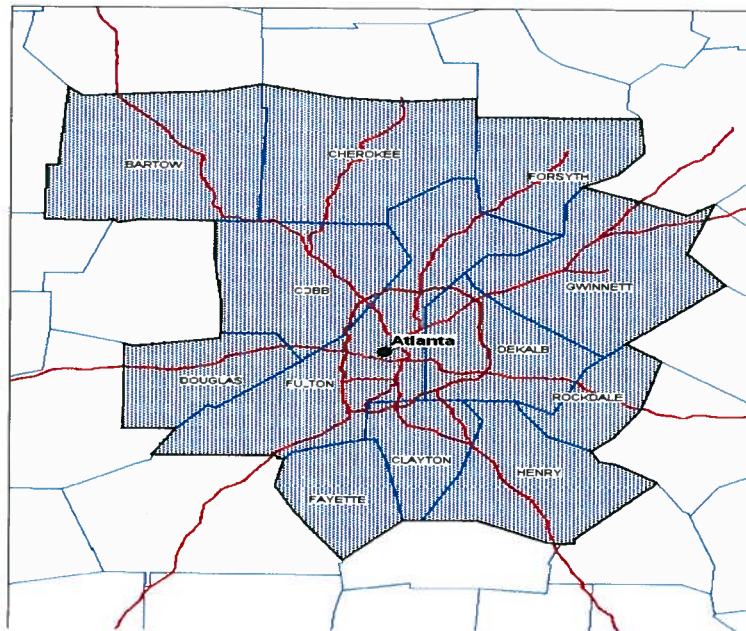
The Center for Responsible Lending projected similar foreclosure numbers on their web site. The data they provided projects that the number of foreclosures in Georgia's Fifth Congressional District, which includes all of the target geography, will be 6,978 over a six month period in 2009. If all factors remain constant, over the next three-years we could reasonably expect to see 42,000 new foreclosures.

Population and housing data collected from the Atlanta Regional Commission projects that the population of the City of Atlanta will increase from 421,453 (yr: 2000) to 463,522 (yr: 2010) an increase of 42,069, or an average of 4,206/year. Conversely, employment is slated to decline from 437,195 (yr: 2000) to 419,596 (yr: 2010), a decrease of 17,599 or an average of 1,465/year. We assume that the two data projection factors, employment and population growth, will have a direct affect on the demand for affordable housing in the coming years thus making the need for NSP2 dollars an essential element in providing affordable housing in Atlanta.

1b. (2) Critical Factors Causing Foreclosure

Over the seven-year period 2000 to 2006, the number of foreclosure sales of Metro Atlanta properties nearly tripled from 15,253 to 44,971, according to the EquityDepot.net database⁷ (Map 1). Metro Atlanta properties are defined within a twelve county area and include Bartow, Cherokee, Clayton, Cobb, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Henry, and Rockdale.

Map 1-1: Metropolitan Atlanta: The 12-County Study Area



Source: Duda, Mark, Mortgage Foreclosures in Atlanta: Patterns and Policy Issues, 2005

⁷ www.equitydepot.net

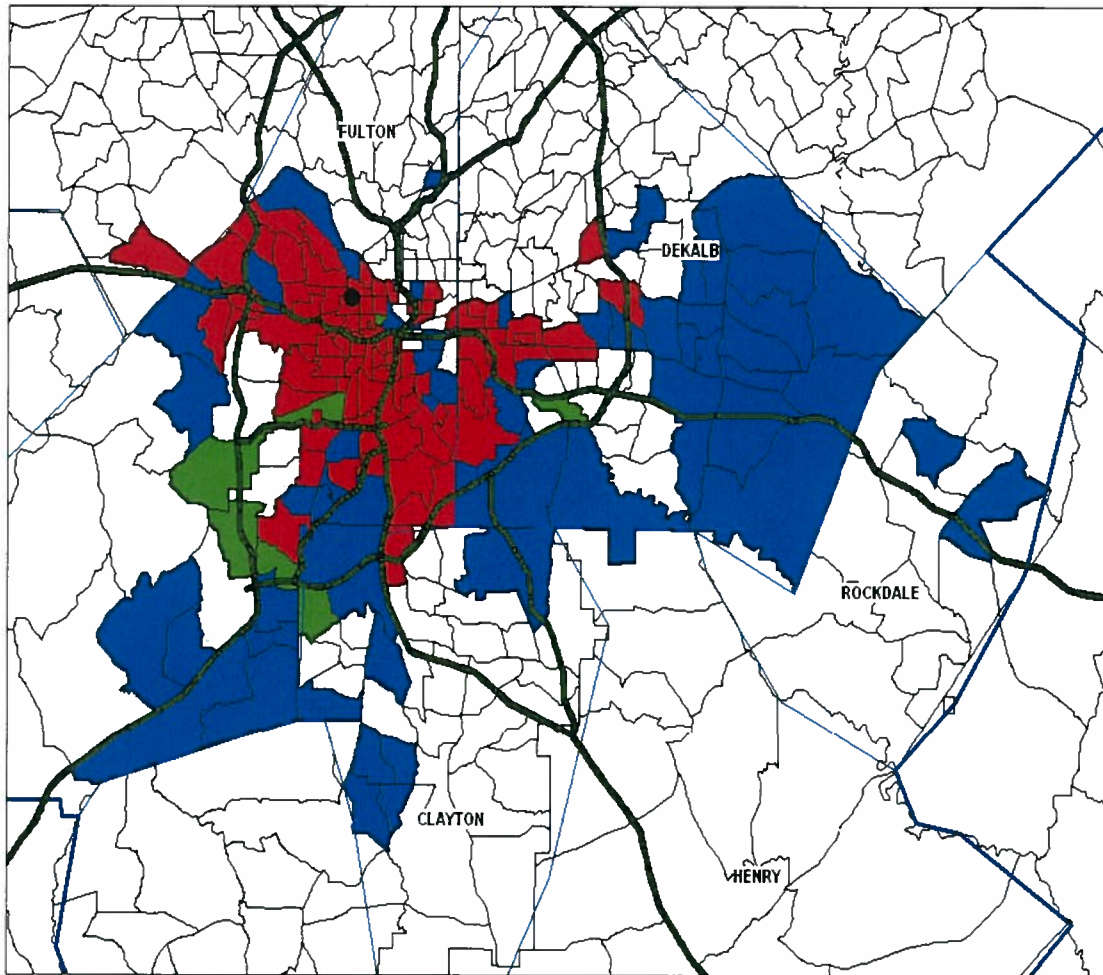
According to a recent assessment by the Atlanta Journal Constitution, foreclosure hot spots are most prevalent in southwest Atlanta neighborhoods followed by DeKalb County and Clayton County.⁸ Foreclosure hotspots are areas that have experienced alarming rates of foreclosure and increased negative impacts such as increased crime, fire, and vacancy rates. These areas are in need of immediate intervention from local government and other financial entities to reduce and/or eliminate foreclosure levels. Foreclosure activity, once reserved for the concentration of low income and minority residents in urban areas, has now penetrated into the housing market, generally; it is affecting homeowners of all income levels and sectors throughout Atlanta. Thus, foreclosure in Atlanta has become a regional issue.

Various researchers have shown a correlation between areas with high foreclosures and subprime lending with shares of high minority populations with low income and educational attainment rates. Researcher Mark Duda captured the regional diversity of the issue showing the lowest foreclosure rates are clustered in the northern part of the city as well as the northern portion of Atlanta suburbs. High foreclosure rates are located across the southern portion of the city and extend into the suburbs of DeKalb County. In 2005, Mark Duda published, *Mortgage Foreclosures in Atlanta: Patterns and Policy Issues*, a comprehensive study featuring the patterns and concentrations of foreclosure filings in Metropolitan Atlanta⁹.

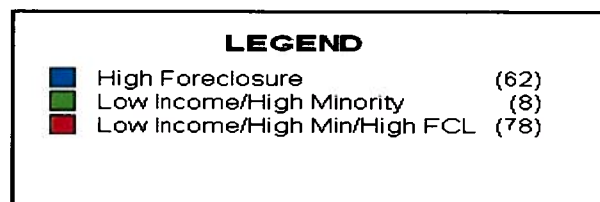
Duda's report captured the concentration of foreclosures in the Atlanta area by income, race, and foreclosure activity. Blue tracts reveal areas in Atlanta that have high foreclosure rates with low-income and high minority shares. Red tracts identify foreclosure activity where there are high minority shares and low-income persons. Green shares feature low-income, high minority shares where there is a low filing of foreclosure rates. Foreclosure, an unwelcomed guest in everyone's backyard, is clustered in lower income neighborhoods that face additional challenges with aged housing stock, crime, and abandoned properties. Access to resources, funds, equity, and alternative opportunities becomes the issue.

⁸ Carrie Teegardin, Dale Dodson, Frank Niemeir, and Megan Clarke, *The Crisis of Foreclosure*, Atlanta Journal Constitution, September 9, 2007.

⁹ Duda, Mark, *Mortgage Foreclosures in Atlanta: Patterns and Policy Issues*, 2005.



Map 2. Source: Duda, Mark, Mortgage Foreclosures in Atlanta: Patterns and Policy Issues, 2005



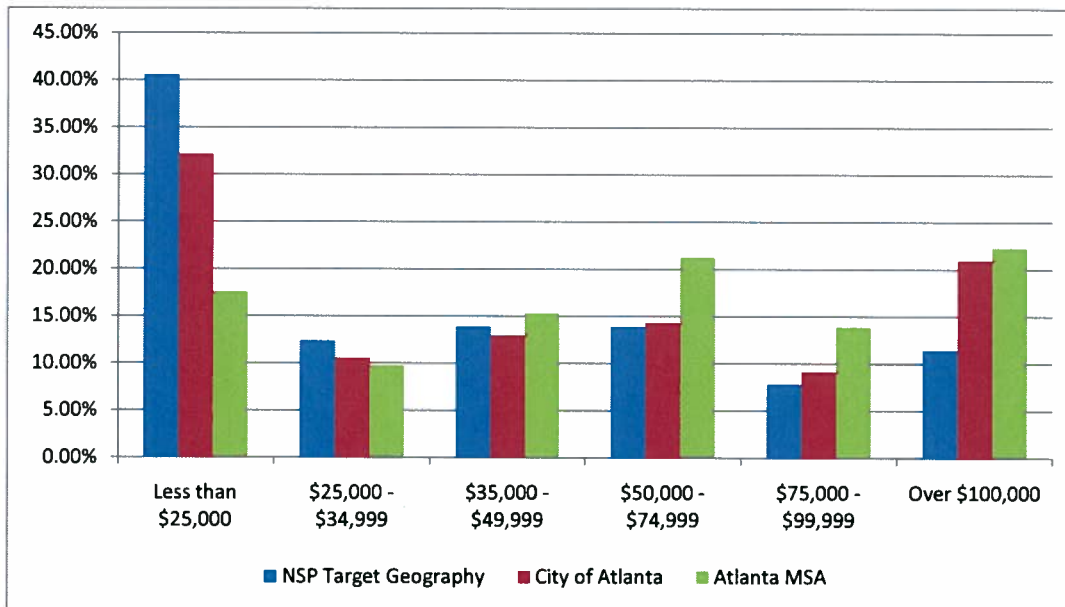
1b. (3) Income Characteristics of Target Geography

The Median Household Income in the Target Geography in 2008 continued to be significantly lower than for both the City of Atlanta and the Atlanta Metropolitan Statistical Area (MSA). As stated above, households with lower incomes have been correlated to subprime lending and high risk of foreclosure and are more prone to severe economic shock from a loss of income. While the City of Atlanta made significant strides toward catching up with the Atlanta MSA between 2000 and 2008, the disparity in income between the Target Geography and the Atlanta MSA only grew.

Median Household Income	NSP Target Geography	City of Atlanta	Atlanta MSA
2000 Median Household Income	\$25,336	\$34,824	\$52,195
2008 Estimated Median Household Income	\$30,195	\$43,465	\$58,730
% Growth (2000 - 2008)	19.2%	24.8%	12.5%
2013 Median Household Income	\$33,254	\$47,939	\$62,894
% Growth (2008 - 2013)	10.1%	10.3%	7.1%

Source: Nielsen Claritas, Inc.

The disparity in median household incomes is extreme when comparing percent of households per income groups. Approximately 40.6% of households earn less than \$25,000 in the Target Geography, which is more than double the rate for the Atlanta MSA (17.5%). Conversely, only 11.5% of households earn more than \$100,000, which is less than half the rate for the Atlanta MSA (22.3%).



Source: Nielsen Claritas, Inc.

Without significant investment in the Target Geography, the current recession could have debilitating effects on it and further increase the divide between it and the City of Atlanta. The foreclosure crisis will only further depress pricing, potentially subjecting neighborhoods to further economic decline, which will only compound current struggles.

As stated earlier, rising home sale prices are creating a housing burden on low to moderate-income households. The data below indicates that current property values are affordable, which is in contrast to median sales values. This disparity indicates a strong possibility for a

further shortage of affordable units in the near future, as homes are resold at higher values. The NSP2 program will provide an opportunity to provide much-needed units.

Median Home Values	Total of NSP2 Target Areas	City of Atlanta	Atlanta MSA
2000 Median All Owner-Occupied Housing Unit Value	\$92,145	\$144,188	\$131,759
2008 Estimated Median Owner-Occupied Housing Unit Value	\$134,163	\$221,878	\$178,689
% Growth (2000 - 2008)	45.6%	53.9%	35.6%

1b. (4) Relevant Social, Governmental, Educational, or Economic Factors Contributing to Local Market Conditions and Contributing to Neighborhood Decline or Instability within the Target Geography

Atlanta's strong rate of household growth over the past several decades fueled a nearly insatiable appetite for new homes, stores, offices and infrastructure. The construction industry grew with Atlanta's growth; so now the recent contraction of the housing market is having an adverse impact on the local construction industry. Instability in both the job and housing markets will continue until both markets are stabilized. The NSP2 program provides an opportunity to contribute to the stability of both markets simultaneously by re-employing construction firms and re-populating distressed communities.

1b. (5) Description of NSP2 Activities Most Likely to Stabilize the Target Geography

The rehabilitation or redevelopment of housing units, both single-family and multi-family, will have the strongest impact on the Target Geography. Activity B (Acquisition, Rehabilitation and Disposition) and Activity E (Redevelopment) will spur new investment in communities and protect or create new jobs. These activities will bring much needed investment into communities that are seeing either no investment or only investment by investors purchasing foreclosed units. The presence of the NSP2 program in these neighborhoods will bring stable homebuyers and renters into the community. Stabilization efforts will generate work for numerous contractors, sales agents, bankers and other service providers. In addition to the economic affects that NSP2 will have in regards to creating job opportunities, the return of residents to now-declining neighborhoods will have a positive affect on the neighborhood overall.

While over three quarters of the funds requested will be used in Activity B and Activity E, the remaining funds are essential to supporting the success of these two activities. Activity A (Financing – Down Payment Assistance) will be used to support homebuyers purchasing their own foreclosed home in the Target Geography, thereby increasing the number of units impacted. Activity C (Land banking) will support NSP2 by maintaining units and houses that are not quite ready for development or sale. An increasing problem in Atlanta is the presence of blighted structures that are owned by absent investors that cannot be easily purchased or

controlled. Funding Activity D (Demolition) will provide resources to the City of Atlanta Bureau of Code Compliance to remedy conditions that would otherwise deter NSP2 project improvements.

RATING FACTOR 2: DEMONSTRATED CAPACITY OF APPLICANT AND RELEVANT ORGANIZATIONAL STAFF

2a. Profiles and Experience of the Applicant

The applicant is a Consortium comprised of the City of Atlanta (City), the Atlanta Development Authority (ADA), and the Atlanta Neighborhood Development Partnership (ANDP), a private non-profit organization. The consortium will include three for-profit development partners to carry out the proposed NSP2 activities described in this application. NorSouth Companies (NorSouth) and the Macallan Group LLC (Macallan) will participate as members of the team led by ANDP. Integral Development, LLC (Integral) is the third for-profit development partner.

City of Atlanta

The City's Department of Planning and Community Development (DPCD) will be responsible for the administration of the NSP2 Program and will serve as the lead member. As part of that Department, the City's Bureau of Housing will assume responsibility for the day-to-day management of the Program and provide ongoing contract administration and oversight of any housing program contracts.

The mission of the Bureau of Housing (BOH) is to employ housing and community development strategies that address the shortage of affordable housing for the public and specifically for workforce households. Our outreach efforts encourage the public, community-based and private developers, and public policy makers to include historic preservation, substantial rehabilitation, green development, and barrier free housing in their ongoing operating procedures. We offer services of rental assistance for low-income families, loans for multifamily developments, and rehabilitation loans and grants designed to sustain the affordable housing stock in the City of Atlanta. BOH implements these services on behalf of the City as administrator of the funding provided through the NSP, HOME Investment Partnership Program (HOME), and Community Development Block Grant (CDBG) programs.

As administrator, BOH provided fiscal oversight, financial management, compliance monitoring, technical assistance, training, and capacity-building support to the non-profit and for-profit housing developers funded by the City. BOH prepared the housing components for the Annual Performance Reports for the HOME, Section 8 Mod Rehab/SRO, and CDBG programs. Since May 2007, BOH provided in-house loan servicing for the \$13 million housing CDBG and HOME loan portfolio, generating revenue in excess of \$600,000 annually.

The City was awarded \$16.2 million in NSP1 funding from HUD and the State of Georgia Department of Community Affairs (DCA) to establish financing mechanisms, purchase and

rehab foreclosed properties, land bank foreclosed properties for future development, demolish blight, and redevelop vacant properties. BOH will manage the development of 381 NSP1 units by overseeing the acquisition, development and property transfer to qualified households and perform all financial and performance reporting. Under NSP1, BOH has already selected 18 affordable housing partners (including ADA and ANDP) which will produce 230 affordable single-family homes and 151 affordable multifamily units for workforce households.

BOH receives an annual allocation of approximately \$2 million under CDBG, \$4 million under HOME and \$4 million under Title XX. BOH provides capital and operating assistance to non-profit and for-profit entities to promote residential development, and manages the owner-occupied substantial rehabilitation program. All of our financial services are in the form of low interest loans, deferred loans and/or grants and predevelopment lending/grant-making. BOH provides financial assistance to developers of single-family properties for new construction and/or rehabilitation of existing housing stock for low and moderate-income households. Financial assistance is also provided to non-profit and for profit developers of multi-family projects. Through the owner-occupied substantial rehabilitation program the City provides direct assistance to low and moderate income elderly and disabled homeowners to make health and safety repairs and weatherization improvements to their homes. BOH staff is responsible for applicant intake, maintaining the program waiting list, client eligibility verification, program marketing, processing of construction draws, and being the liaison between the contractor, construction management entity, and the client. BOH provides new homeownership opportunities through contract administration or direct implementation of the down payment assistance programs, individual development accounts (IDA), and sweat equity developments.

The Bureau of Code Compliance (BOC), another division within DPCD, also receives CDBG, Title XX, NSP1 and local general funds to clean & close and/or demolish blighted structures not meeting the City's code. BOC is responsible for the enforcement of the Atlanta Housing Code, Commercial Maintenance and Industrial Code, and the Zoning Ordinance. The primary objective of the Bureau is to obtain the voluntary compliance of the property owner in removing the cited violation. However, when voluntary compliance is not achieved, BOC may institute court actions, In Rem procedures, or a combination of both to ultimately effect compliance. The In Rem process is the course of action the City utilizes to demolish blighted structures. BOC is responsible for ensuring that demolished properties adhere to Section 106 Historic Preservation, Uniform Relocation Act and Davis Bacon requirements.

The Fulton County/City of Atlanta Land Bank Authority (LBA), an intergovernmental entity, is empowered to extinguish all or a portion of delinquent taxes for parcels. The City utilizes the LBA as a tool for redevelopment and a repository for banking properties to be used for the preservation of affordable housing. The LBA acts as a conduit for the collection of tax revenues. BOH provides CDBG operational support to the LBA and monitors the acquisition of properties for future redevelopment of affordable housing by qualified developers.

Since May 2007, the City has provided 155 homebuyers with financial assistance to acquire affordable housing units, undertaken rehabilitation services in behalf of over 500 homeowners, demolished 112 residential units, and provided financial assistance to for profit and non-profit developers for the development of 55 affordable housing units.

Atlanta Development Authority

ADA, a public body corporate created by the State of Georgia under the Georgia Development Authorities Law, is the official economic development agency for the City of Atlanta. With a staff of 45 focused on residential, business and investment growth in the city, ADA utilizes a full economic development toolbox including tax exempt and taxable bond financing, revolving loan funds, tax increment financing, lease purchase bonds and new market tax credits.

ADA's Housing Finance Department, acting through the Urban Residential Finance Authority (URFA), receives a tax-exempt bond allocation in excess of \$70 million per year to facilitate the financing of multifamily and single family bonds for affordable housing. The multifamily bonds provide long-term financing to developers for the acquisition, construction and/or rehabilitation of affordable rental housing. The department utilizes its single-family tax-exempt bond program to provide first mortgage financing for first time homebuyers. Other programs at ADA, such as the Affordable Homeownership Opportunity Program (AAHOP), funded annually with the City's HOME funds since the 1990's, has been hugely successful in providing down payment assistance to first time homebuyers.

URFA serves as the implementing agency for the \$35 million Housing Opportunity Bond Program (HOB) as well as the \$22 million Homeless Opportunity Fund (HOF). These bond issues were structured to specifically address the critical shortage of affordable housing and permanent supportive housing in the City. The City, the Housing Authority of Atlanta (AHA), and the ADA created the HOB Fund in 2007. This initiative established a revolving loan program to provide gap financing to single-family and multifamily affordable housing developers and Community Housing Development Organizations. Second-mortgage financing is available to homebuyers in the form of deferred loans and the fund established a pool for the City or ADA to acquire land for future affordable housing development. The HOF provides \$22 million to assist the City of Atlanta in its efforts to end long-term homelessness and help the homeless become stable and productive members of society. HOF grants are available for capital housing projects that address the need for permanent housing coupled with supportive services.

ADA also administers the 15% portion of the Beltline Tax Allocation District bonds set aside for affordable housing along the Beltline. The Beltline is a redevelopment project that will create a system of new and improved transit facilities, parks, and trails along with affordable housing and other improvements around a 22-mile loop of railway in the City. The success of the Beltline will have significant impact on the Target Geography. Total funding over the next 25 years for the Beltline Affordable Housing Trust Fund (BAHTF) is projected to be \$120 million. A total of \$8.8 million set aside from the first bond issuance in November 2008 is currently under

implementation. BAHTF dollars can be combined with other affordable housing programs and City incentives to acquire, construct or renovate affordable housing units in the Beltline.

URFA is comprised of a staff of 15 with extensive experience in the areas of deal structuring, loan underwriting, closing and servicing, and long-term compliance with federal regulations. Since May 2007, URFA has overseen the investment of more than \$125 million to create and preserve over 2,400 units of housing, of which 76% were affordable. This production includes over \$57 million in single-family loans to 365 new homeowners; \$45.9 million in multifamily loans for three projects totaling 591 units; and \$21.4 million to create 1523 permanent supportive housing and other residential units.

Atlanta Neighborhood Development Partnership (ANDP)

ANDP was created in 1991 because of the merger of the Housing Resource Center of the Metropolitan Atlanta Chamber of Commerce and the Neighborhood Development Department of the Atlanta Economic Development Corporation. The impetus for ANDP's creation was the diminishing supply of affordable housing in the region and the need to reclaim declining neighborhoods in its core. Throughout its 18-year history, ANDP has supported the creation of housing for people of low-to-moderate incomes. This work has been expressed in investment in the new construction and renovation of more than 8,000 housing units.

As a non-profit housing development organization, ANDP has directly developed over 1,000 units of mixed income, single and multifamily units. The organization has provided technical assistance to other non-profit developers and equity syndication developers for an additional 3,200 units.

ANDP provides financing locally through its Community Redevelopment Loan and Investment Fund (CRLIF), which has financed over 3,800 units to date. CRLIF is a U.S. Treasury certified Community Development Financial Institution (CDFI) that promotes community development through its financial products. As a CDFI, CRLIF channels capital to communities typically overlooked by conventional financial institutions.

CRLIF is an \$11 million dollar revolving housing loan fund that provides predevelopment, acquisition, bridge and construction loans to metro Atlanta's affordable and mixed income housing developers. Since inception, the loan fund has leveraged approximately \$21 million in additional capital and revolved approximately \$80 million. This work yields an estimated total project value of more than \$200 million.

Since May 2007, ANDP's development division has completed 17 for-sale townhomes at Irwin Place. In addition, ANDP designed and administered the second mortgage program for Twelve Centennial Park, a condominium development located in Atlanta's Eastside Tax Allocation District (TAD). As manager of this program, ANDP has closed 87 of 104 affordable condominium units situated in a tower that consists of 517 total dwelling units.

The organization's second mortgage work has demonstrated the value of this tool in structuring public funds for achieving resident affordability. Under the Twelve Centennial Park program, affordable buyers are qualified based upon an asset test as well as standard underwriting criteria. In addition to pre-screening and educating these buyers, ANDP completes legal documents for all mortgage closings, including deeds to secure debt and promissory notes associated with the subsidy.

ANDP is experienced in identifying and securing commitments for a wide variety of public and private funding sources for mixed income redevelopment projects. To date ANDP has closed or obtained commitments for \$9.5 million to support its anticipated NSP1 and NSP2 efforts. These funds include working capital to serve as bridge financing in the amount of \$2 million, acquisition-rehabilitation financing in the amount of \$4 million, and 30-year fixed lease purchase financing in the amount of \$3.5 million.

ANDP is a Member in the Atlanta Regional Commission Consortium, which is applying for NSP2 funding. This Consortium involves several counties within the Atlanta metropolitan area; the Target Geographies of the two applications do not overlap.

The NorSouth Companies

The NorSouth Companies is a group of firms, owned by William E. Johnston and David H. Dixon, with 23-years of experience in financing, developing, constructing, owning and managing affordable and mixed-income multifamily properties. The associated companies have developed more than 6,200 units for their principals' ownership, and they have built projects with a construction value exceeding \$500 million, including many for 3rd party owners. These include redevelopment projects, as well as rehabilitation of existing properties and new construction. NorSouth has a track record of creating affordable properties that stabilize and revitalize surrounding communities by maintaining their financial and aesthetic value for a full lifecycle. The organization was recently recognized by the DCA as a "Tier One Entity" because of its strong financial capacity, its sustained commitment to affordable housing and its proven ability to develop multifamily properties that are long-term assets for their residents, neighborhoods and financial partners.

NorSouth Development Company of Georgia, LLC will be the NorSouth entity to contract with the Consortium, and it will be NorSouth's primary program manager in the execution of responsibilities under the Consortium's NSP2 program. Other NorSouth entities (NS Partners, LLC; NorSouth Construction Company of Georgia, Inc.; NorSouth Management Company) and their key team members will participate and bring their experience to the program, as needed. NorSouth brings the following expertise to the Consortium: market identification and analysis; property selection and acquisition; facilitation of public input through coordination with community groups and public agencies; project concept and design development, with detailed, "budgetable" scopes of work; accurate budget forecasting and pro forma development; leveraging multiple sources of public and private funding; underwriting,

attracting, negotiating and closing project financing; project and program management through a multi-disciplined team of partners and consultants; demolition and redevelopment of dilapidated properties; construction and rehabilitation of multifamily properties within budget and on schedule; implementation of successful marketing programs (including leasing from prioritized waiting lists); long-term compliance with the requirements of multiple financing programs, including LIHTC, Tax-Exempt Bonds, HOME, local tax incentives, FNMA, FHLMC and HUD Mortgage Insurance programs.

Since May 2007, NorSouth has partnered with the Housing Authority of DeKalb County (HADC) to demolish 191 units on an HADC former public housing site; NorSouth has developed and built 268 new units (Ashford Landing and Ashford Parkside) on that site, in partnership with HADC. In addition, it has built the Rose of Sharon (rehab), Terraces at Parkview (redevelopment), and Chamblee Senior Residences (new construction), totaling 809 multifamily units, as General Contractor for Mercy Housing Southeast. It has also negotiated contracts for land acquisition on three new, affordable housing developments totaling 300 units, including one on a vacant and abandoned subdivision.

The Macallan Group LLC

Macallan is a unique real estate solutions company that offers clients and partners a turnkey answer for all of their real estate and construction needs. The company was founded by three principals that are able to bring together their complementary skills to form a diversified company with the capabilities of an experienced program manager, the production systems of a veteran general contractor, and the financial sophistication of a seasoned developer. By integrating all aspects of the real estate and construction industry, Macallan is uniquely qualified to perform the services required by the Consortium.

Macallan was founded in 2002 as a residential development and renovation company set on a foundation of applying a commercial approach to the residential industry. Macallan defines this commercial approach as bringing systems, professionalism, integrity, and structure to an industry that has notoriously been known for its "fly-by-night" and "pick-up truck" contractors. Thus, all our systems and procedures, from cost tracking and accounting to project management and client reporting, are set up to provide a robust framework for growth and significant organizational capacity.

Macallan is a vertically integrated company, which has the capacity to handle all functional areas of real estate development from brokerage and construction to program management, sales, finance, and marketing. The principals are a group of experienced professionals who have a diverse base of experience in commercial and residential development and construction. Macallan will not have to set up a new company or new systems and procedures for this scope of work but instead can use its existing infrastructure to obtain immediate results. The organization brings to the Consortium: significant capacity including field, office, and administrative personnel; current membership in the Multiple Listing Service; a sales and

marketing department; accounting and billing infrastructure; vendor and subcontractor relationships; experienced construction professionals; estimating and cost engineering capabilities; and scheduling and client reporting mechanisms.

Macallan has direct experience in rehabilitating foreclosed assets. Past and current private sector clients include investors who have purchased REO / foreclosure portfolios from financial institutions. Upon acquisition, these investors have hired Macallan to rehabilitate the foreclosed properties and prepare them for sale. In addition, Macallan has been selected to serve as asset manager for Gwinnett County's \$13.5 million NSP1 award. In this role, Macallan is handling the Gwinnett County NSP1 process including selection and acquisition of foreclosed homes, rehabilitation, and sale to qualified homebuyers.

In the past 24 months, Macallan has completed 52 multi-family units (fee simple townhomes) and 30 single-family detached homes.

In 2007, Macallan was proud to have been named Contractor of the Year by the National Association of the Remodeling Industry. For the last several years, Macallan has been ranked by the Atlanta Business Chronicle as one of the top five Residential Remodeling Contractors in the Metro Atlanta area. The corporate mission is to provide clients with high quality, turnkey solutions to all of their real estate and construction needs with value and integrity. This is accomplished through management measures including direct principal oversight of all work, adequate staffing, clear lines of responsibility, employee and subcontractor accountability, internal checks and balances, and frequent quality control inspections.

Integral Development, LLC

Integral Development LLC is a subsidiary of The Integral Group, LLC, founded in 1993. The Integral Group LLC is an urban real estate development and investment management company. Its core business activities are undertaken through its wholly-owned subsidiaries that provide master planned community development and revitalization services, commercial real estate development and investment management services. The Integral Group, LLC also has subsidiaries that provide construction management, program management, property management, and family support services.

Integral has established a unique and highly regarded expertise in implementing urban projects of a transformational nature through numerous public/private partnerships. Its projects have served as the catalyst for newly energized communities that revitalize both the physical environment and the quality of life for the residents. Specifically, Integral implements its projects in a strategic manner, producing a mix of multi-family rental housing, home ownership, independent and assisted senior housing, and retail and commercial components. Integral was Developer for the nation's first leveraged HOPE VI transaction, Centennial Place. It helped to create the legal, financial, and regulatory model used in the mixed finance transactions.

Over the past 24 months, Integral has developed 161 condominium units, 45 townhomes, and 992 multi-family rental units.

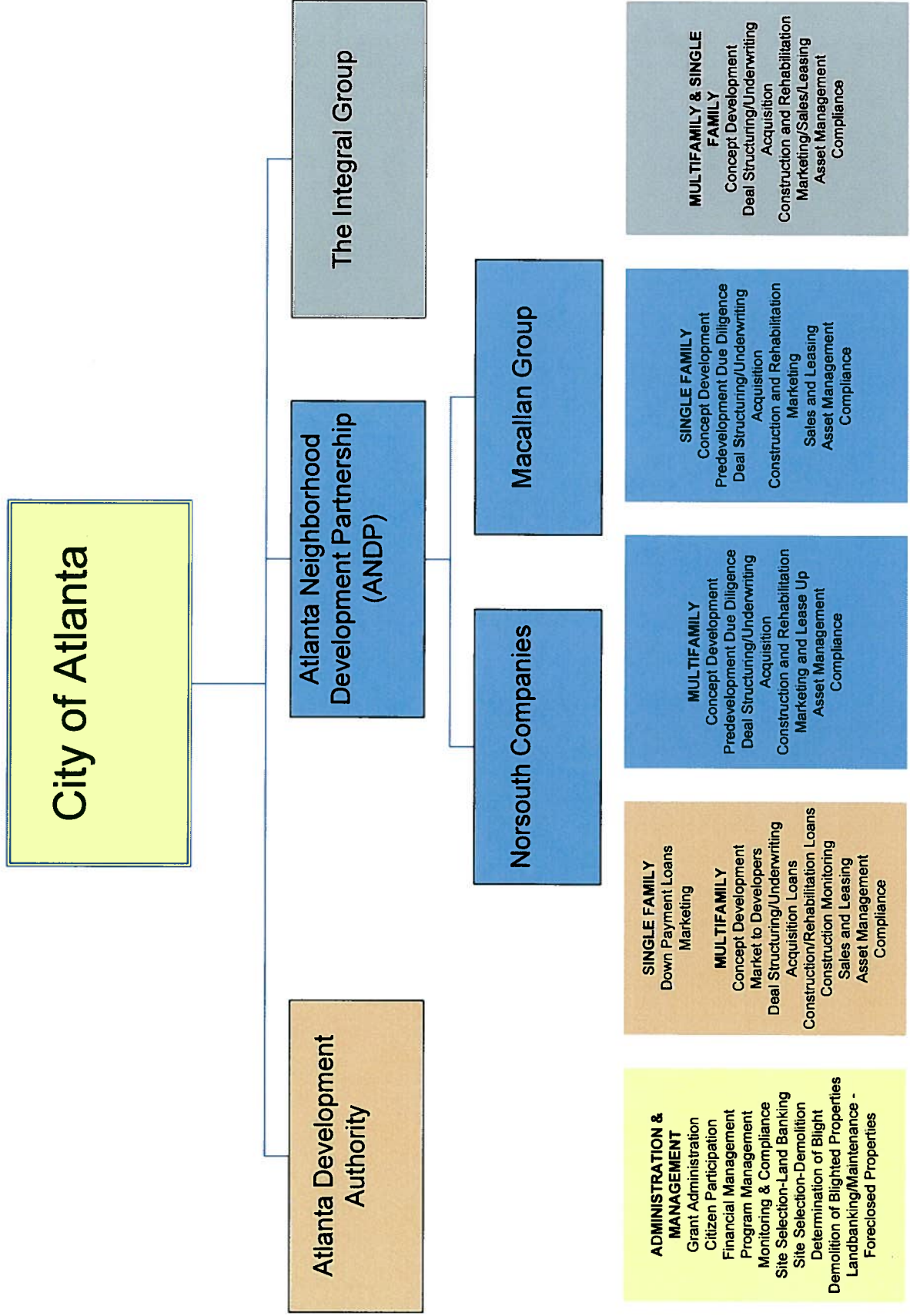
2b. Management Structure

The City will assume the primary responsibility for the general program oversight of NSP2 funding. The entire staffing structure for the Consortium will include key staff members from each of the Member and Partner organizations, providing quality control throughout the development process.

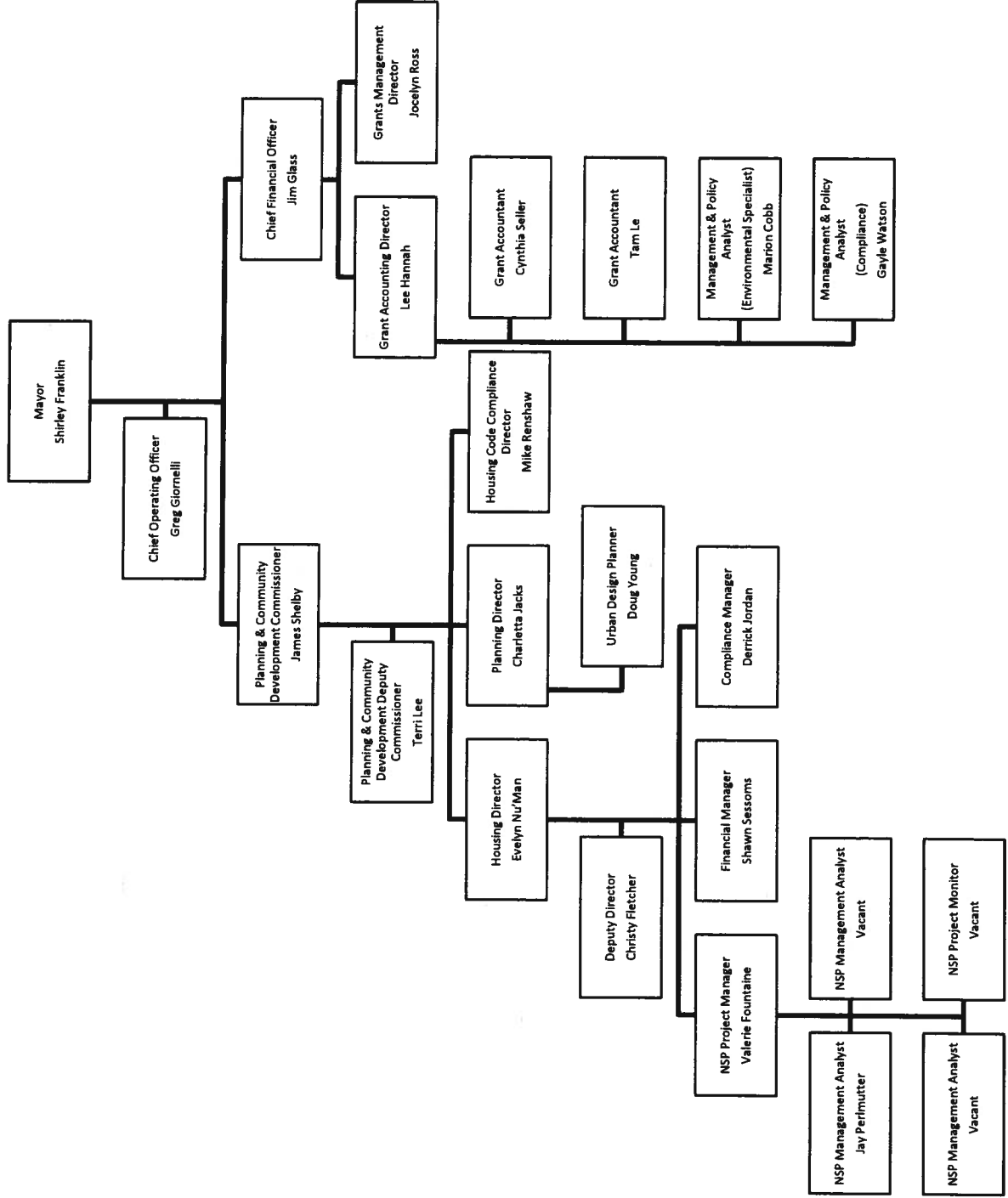
Consortium staff will be responsible for the following functions:

- **Grant Administration:** Key staff members from the City's Department of Finance and DPCD will be responsible for ensuring compliance with all of the federal requirements related to the implementation of the NSP2 funds. This includes but is not limited to Citizen Participation, Environmental Review, Section 106 Historic Preservation, Davis Bacon, Section 3, Fair Housing, and Internal Auditing.
- **Financial Management:** Key staff members from the City's Department of Finance and BOH will be responsible for providing oversight to the financial management of NSP2 funds and will see that all reporting requirements are met. The City will process all financial draws and ensure that the costs are reasonable and in-line with the NSP2 budget, in accordance to the City's internal policies and procedures.
- **Program Management:** The City's Bureau of Housing will align the necessary resources to monitor, direct and report on the activities of all Consortium engaged in NSP2 initiatives. This includes but is not limited to contract administration, annual project monitoring, management of program income and performance reporting to HUD using the Disaster and Recovery Grant Reporting system.
- **Project Management:** The Consortium will provide staff with specific expertise to ensure that the day-to-day functions of implementing development acquisition, construction, and disposition activities for each project are met.

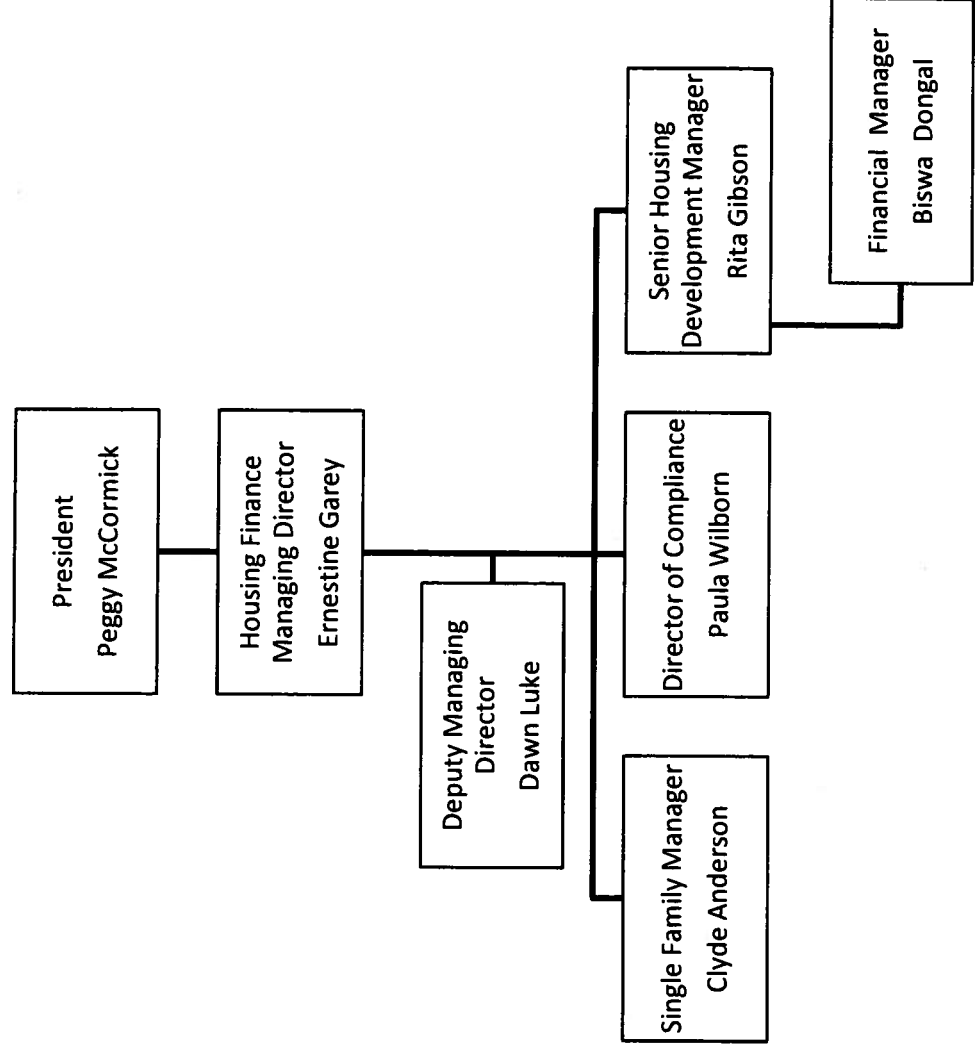
CITY OF ATLANTA CONSORTIUM (NSP2)



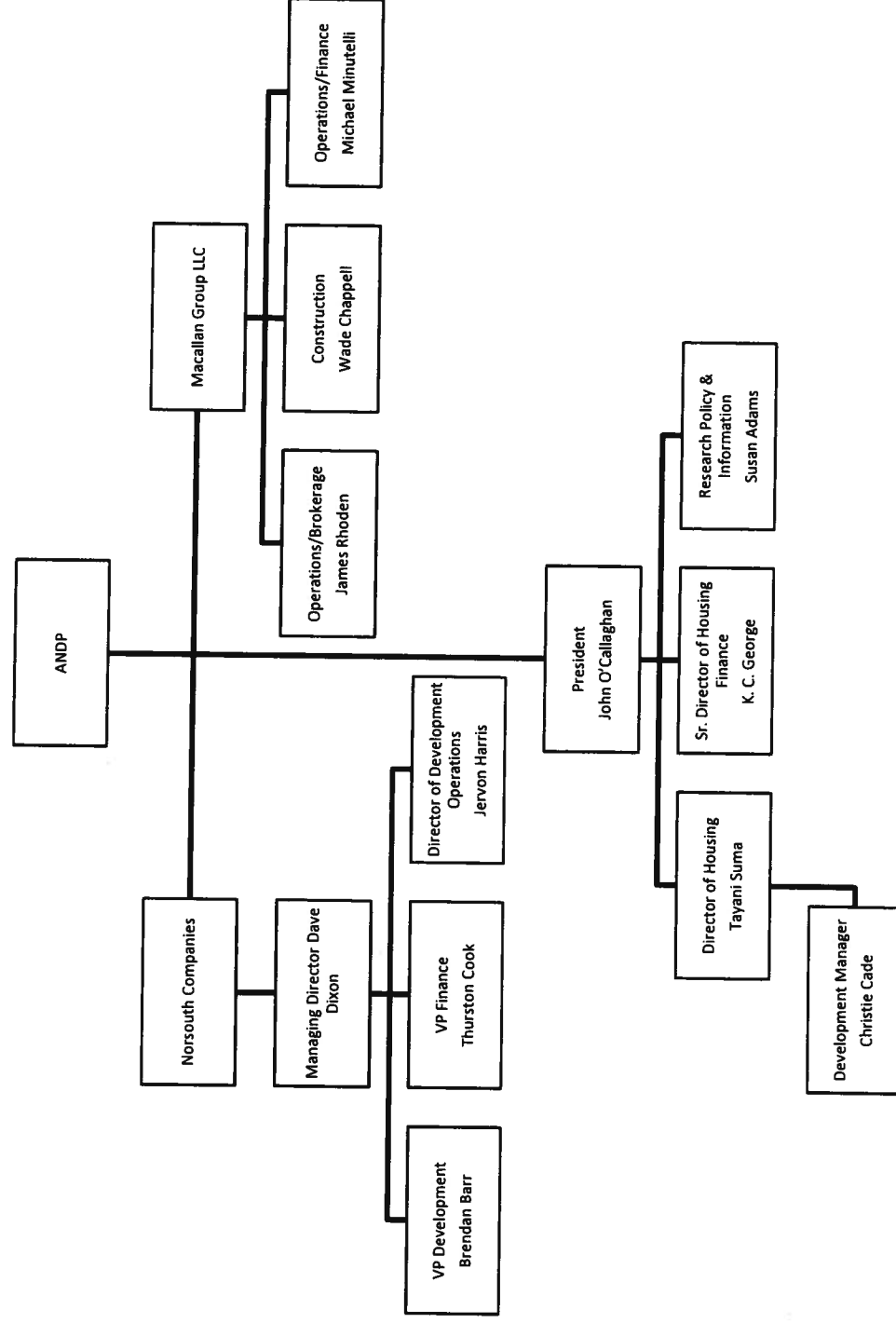
City of Atlanta



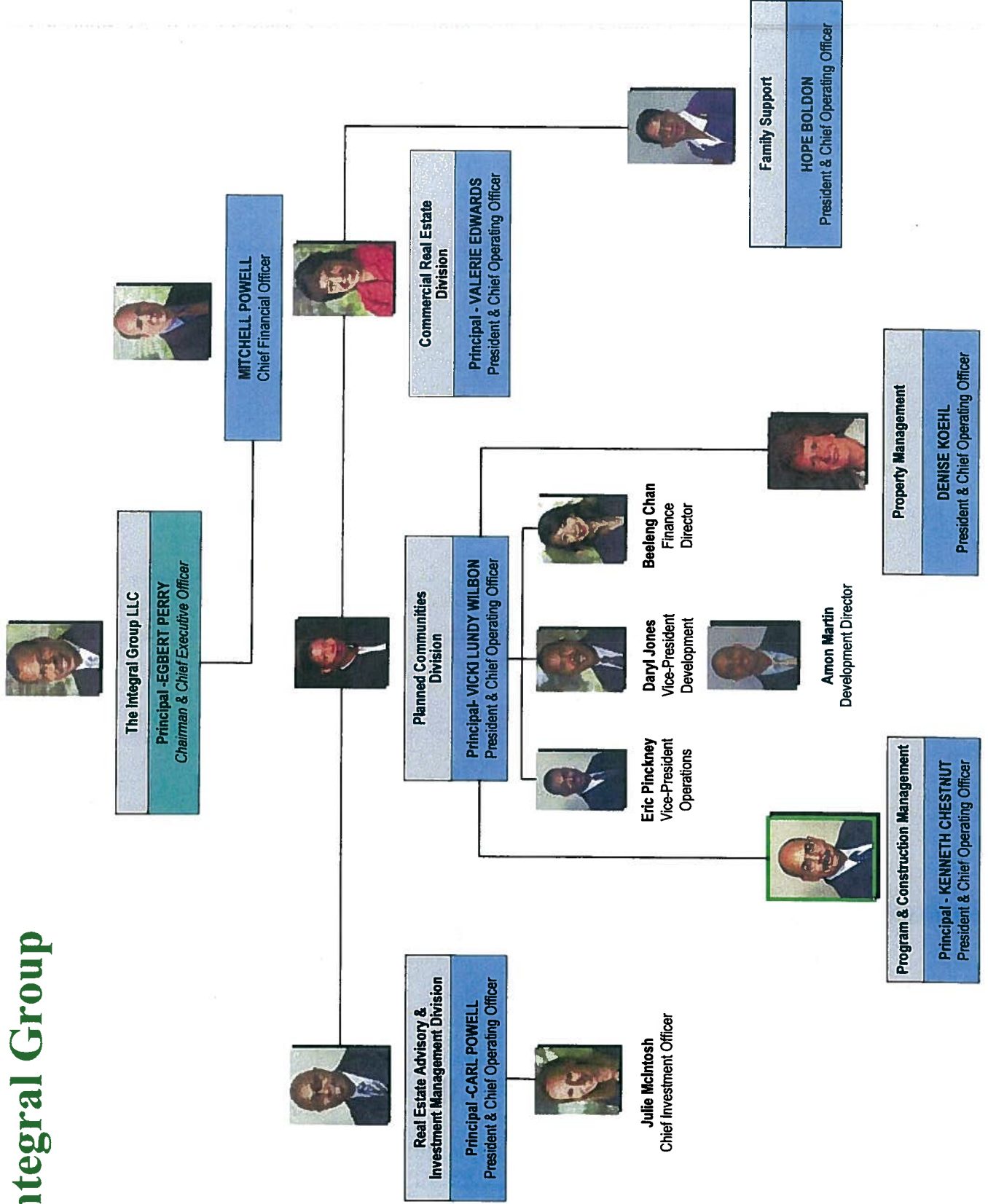
Atlanta Development Authority



Atlanta Neighborhood Development Partnership



The Integral Group



Staff & Duties	City of Atlanta Staff														ADA Staff										ANDP, Maccallan & Norsouth Staff														Integral Staff												
	Evelyn Nu'Man	Christy Fletcher	Valerie Fountaine	Shawn Sessoms	Derrick Jordan	Jay Perlmutter	Doug Young	Wendy Scruggs Murray	Mike Renshaw	Lee Hannah	Marian Cobb	Gayle Wat	Cynthia Sellers	Tam Le	City Auditor	Ernestine Garey	Dawn Luke	Rita Gibson	Biswa Dongol	Clyde Anderson	Paula Wilborn	Vickey Roberts	Tayani Suma	Carl Hartampf	Christie Cade	George Borgan	Miljha Godfrey	Mia Fairly	Jody Whitt	Shannon Longino	Mike Minutelli	James Rhoden	Wade Chappell	Brendan Barr	Jervon Harris	Thurston Cook	William Flammer	Mike Creeden	Thomas Connolly	Eric Pinkney	Hope Boldon	Amnon Martin	Beelang Chan	Carl Powell	Kenneth Chestnut	Valerie Edwards	Denise Koehl				
General Program Oversight	X																																																		
Program Administration	X		X				X																																												
Citizen Participation			X																																																
Environmental Review											X																																								
106 Clearance							X																																												
Davis Bacon												X																																							
Section 3												X																																							
Internal Auditing															X																																				
Financial Management			X	X						X																																									
Overall Grant Finances				X																																															
Submitting Draw downs Requests				X									X																																						
Prepares Financial Reports				X									X																																						
Project Management			X																																																
Contract Administration			X	X		X																																													
Project Set-up and Completion			X																																																
Prepares Performance Reports																																																			
Manage Program Income			X	X										X																																					
Annual Project Monitoring			X		X	X								X																																					
Monitor Financial Records							X																																												
Monitor Performance Records							X																																												
Single Family Activities																																																			
Concept Development																																																			
Pre-development Due Diligence																																																			
Community Communications					X																																														
Financial Analysis																																																			
Financing Commitments																																																			
Acquisition			X	X	X																																														
Demolition								X																																				</							

Staff & Duties	Staff & Duties																																																			
	Evelyn Nu'Man	Christy Fletcher	Valerie Fontaine	Shawn Sessoms	Derrick Jordan	Jay Permutter	Doug Young	Wendy Scruggs Murray	Mike Renshaw	Lee Hannah	Marian Cobb	Gayle Wat	Cynthia Sellers	Tam Le	City Auditor	Ernestine Garey	Dawn Luke	Rita Gibson	Biswa Dongol	Clyde Anderson	Paula Wilborn	Vickey Roberts	Tayani Suma	Carl Hartampf	Christie Cade	George Burgan	Mija Fairly	Jody Whitt	Shannon Longino	Mike Minutelli	James Rhoden	Wade Chappell	Brendan Barr	Jervon Harris	Thurston Cook	William Flammer	Mike Creeden	Thomas Connolly	Eric Pinkney	Hope Boldon	Amon Martin	Beeliang Chan	Carl Powell	Kenneth Chestnut	Valerie Edwards	Denise Koehl						
Multifamily Activities																X						X	X	X									X																			
Concept Development																X							X	X																												
Pre-development Due Diligence																							X	X																												
Community Communications						X													X				X	X																												
Financial Analysis																			X				X	X																												
Financing Commitments																		X					X	X																												
Acquisition																		X					X	X																												
Demolition																		X																																		
Construction & Rehabilitation																		X																																		
Marketing & Leasing																		X																																		
Second Mortgage Program																		X																																		
Property Management																																																				
Asset Management																																																				
Program Compliance			X		X																																															

References

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RATING FACTOR 3: SOUNDNESS OF APPROACH

The consortium will pool its resources, including technical, financial and legal capacity, to carry out a coordinated stabilization program that meets or exceeds NSP2 requirements. Building upon a broad base of experience acquired over many years in the disciplines of neighborhood revitalization, we have completed a review of current market data to devise a diversified approach. The Consortium will programmatically target and distribute NSP2 funds to stable, declining and distressed neighborhoods located within the NSP2 Target Geography.

- **Stable Neighborhoods:** There are some neighborhoods within the City that, while experiencing relatively high rates of foreclosure, can still be described as generally stable, experiencing only the initial signs of neighborhood decline and with a generally high percentage of owner-occupied houses. The typical pattern in these communities is that a single bank-owned vacant house on a block has lingered on the market due to the generally soft market and/or minor vandalism and disrepair that detract from its marketability. These vacant, often boarded up houses contribute to a decrease in the immediate neighborhood's desirability and often help spur additional neighborhood decline resulting in falling home prices and increasing foreclosures. The ability to target funds for financing mechanisms, acquisition and rehab, and re-sale of these houses in otherwise stable neighborhoods will allow the Consortium to short circuit the negative impact on property values and ensure that these neighborhoods remain stable and that previous Federal investment are protected.
- **Declining Neighborhoods:** Declining neighborhoods can be characterized as areas where the percentage of owner-occupied houses is lower than that found in stable neighborhoods. These neighborhoods are characterized by higher rates of investor ownership and may include small multi-family rental complexes in the neighborhood fabric. With appropriately targeted acquisition and rehab funds we believe that foreclosed and vacant properties in these neighborhoods can also be successively revitalized and added back to the affordable housing stock of the City, targeting both rental and moderate-income homeowner populations.
- **Distressed Neighborhoods:** Neighborhoods experiencing significant blight, decline in population, and/or significant increases in the number of foreclosed properties are categorized as distressed. The foreclosures may comprise areas with multiple vacant buildings per block and even blocks that are comprised of only vacant houses. These factors contribute to an overall neighborhood decline including increasing vandalism, diminishing safety of remaining residents, illegal tenancies and the evaporation of market demand. Redevelopment Plans and other City resources are more likely to be available to assist in developing a comprehensive stabilization plan of the immediate neighborhood and surrounding community. The Consortium believes the most effective use of NSP2 funds in these areas will be selective acquisition, demolition and redevelopment, and land banking to facilitate assemblages.

The Consortium has developed a five-prong approach to achieve stabilization within the Target Geography. It includes the following NSP2 Activities:

Activity A: Financing Mechanisms

The Consortium will utilize \$2,000,000 in NSP2 funds to expand the Homebuyer Assistance Programs (i.e. Mortgage Assistance Program, AAHOP, Home Atlanta Program, NSP1 Homebuyer Assistance Program, etc.) currently available in the City of Atlanta. The NSP2 Homebuyer Assistance Program will enable the Consortium to allow eligible homebuyers the ability to identify and acquire existing foreclosed single-family homes within the Target Geography. This program can be layered with other down payment assistance programs to ensure greater affordability for the homebuyer. ADA, as project manager of the Homebuyer Assistance Program, will provide financial assistance in the form of a deferred second mortgage loan, with an interest rate of 0-3% to cover principle reduction, interest rate buy-downs, down payment assistance, rehabilitation escrow (similar to the HUD 203(K), and closing cost to qualified home buyers whose incomes do not exceed 120% AMI. In addition, a portion of the NSP2 funds within this activity will provide for 8-hours of HUD certified Homebuyer Education and Counseling. Each property being considered for financing will be appraised in accordance with the definition in the NSP2 regulations by a qualified appraiser. That information will be used to negotiate a discount of, on average, at least 1% using the formula provided in the NSP2 regulations. We estimate approximately 110 households will receive assistance for an average NSP2 investment of approximately \$18,000 per unit. The terms of the deferred loan will be based on the affordability period described in Rating Factor 3d (Continued Affordability).

Activity B: Purchase, Rehabilitation and Disposition

The Consortium will utilize \$24,250,000 in NSP2 funds to develop an acquisition, rehabilitation and disposition (ARD) program for foreclosed and abandoned single-family and multifamily properties. All properties being considered for purchase will be appraised in accordance with the definition in the NSP regulations by a qualified appraiser. That information will be used to negotiate a discount of, on average, at least 1% using the formula provided in the NSP2 regulations. The Consortium will work with PEMCO, the National Community Stabilization Trust (NCST), Fannie Mae, Freddie Mac and other owners and conduits of REO properties. The Consortium anticipates a great deal of support in our acquisition efforts from the National Community Stabilization Trust (NCST). The Trust and its Sponsors support our efforts in focusing on the following key activity objectives:

- To provide an efficient and cost-effective mechanism for transferring foreclosed property ownership from servicers and investors to Consortium Members and Partners.
- To aggregate capital from national private and philanthropic sources and make financing available to support Consortium efforts to stabilize communities within the Target Geography.
- To purchase homes at below market prices and with Purchase and Sale Agreements that incorporate NSP2 purchase stipulations.

The Consortium will acquire and rehab those properties determined to be financially feasible utilizing the Enterprise Atlanta Acquisition Pool, the NCST Capital Corporation, Beltline Affordable Housing Trust Fund and the other funding sources identified in Factor 4.

Single Family Rehab and Resale: The Consortium and/or third-party developers will acquire and rehabilitate the properties for resale to qualified homebuyers at or below 50% AMI and 120% AMI. Properties will be rehabilitated to meet or exceed housing code regulations, City of Atlanta Rehabilitation Standards, and Green Building Practices and Sustainability Building Practices outlined in Factor 5b and 5e. Final sales prices will be based on total development cost or at the market value whichever is less and may not exceed the 2007 FHA 203(b) limit of \$252,890. It is expected that the affordable sales prices and occupancy in certain target areas will be set between 60 and 80% AMI since that better reflects the incomes of households living in the area. Sale proceed will generate NSP2 program income to stimulate additional foreclosed recapture efforts in the Target Geography. The consortium may offer a Lease Purchase Program alternative for those households that are not currently mortgage ready. To fund the Lease Purchase Program, we may use the proceeds of a 30-year fixed-rate Lease Purchase loan from the Self Help Ventures Fund to pay off its acquisition and rehab debt. Self Help is a national intermediary that provides financing to non-profit organizations. Additionally, NSP2 funds will be utilized to provide at least 8 hours of HUD certified Homebuyer Education and Counseling. ANDP, Macallan and Integral will serve as project managers for the single-family component of the Acquisition, Rehabilitation and Disposition Program. Approximately 110 foreclosed single-family units will be developed with an average NSP2 investment of \$57,000. This program will compliment the NSP1 single-family ARD program and other development efforts of the Consortium Members and Partners.

Multifamily Rehab and Rental: Within the Target Geography, there are foreclosed upon and abandoned multi-family structures that, like their single-family counterparts, tend to compromise the viability of their neighborhoods. The strategy that we have designed includes small and large multi-family rehabs. It will allow us to reclaim needed housing units while directly impacting the need for housing for households whose income does not exceed 50% of AMI. The multifamily strategy includes the selection of properties in the most marketable areas of the Target Geography. It will reflect the need to meet the immediacy of the three-year timeline to expend all NSP2 funds. The strategy includes the development of large and small multifamily communities. Large multifamily are typically properties with 150 units or more; small multifamily is defined as properties of 75 units or less. Multifamily properties will be rehabilitated utilizing existing multi-family affordable housing financing sources --low income tax credits, HOME funds, 203K mortgages, etc. NSP2 funds will be provided as a low interest rate loan (0-3%) based on project feasibility. Integral, NorSouth and ANDP will serve as the Project Managers of the Multifamily ARD program. The Consortium believes that utilizing NSP2 funds to supplement the redevelopment of small multifamily projects, which are typically harder to finance and therefore abandoned and an eyesore to the community, will further the stabilization of the Target Geography. The Consortium anticipates rehabilitating and renting 365 foreclosed multifamily units with an average investment of \$50,000 per unit.

Activity C: Land Banking

The City of Atlanta and Fulton County created a Land Bank with significant acquisition leverage. The LBA is an existing public authority chartered by the State of Georgia for the purpose of establishing a land banking program for Fulton County and the City of Atlanta. Its powers include the ability to erase outstanding liens with no property taxes during holding periods. In certain distressed areas of the city, there may be opportunities to acquire foreclosed upon vacant lots and/or houses that will create value for the community by facilitating an assemblage for future development. The Consortium will work with the Land Bank Authority and the National Community Stabilization Trust to acquire foreclosed upon properties located in the Target Geography. The LBA will be responsible for ensuring that all acquired properties are cleaned and closed and maintain until disposition. The City will serve as project manager for the Land Banking Program and will contract with the LBA as a sub-recipient. The Consortium will make an allocation of \$1,500,000 in NSP2 funds to acquire and maintain approximately 30 foreclosed and abandoned properties in the Target Geography.

Activity D: Demolition

The Consortium will provide funds for the demolition of blighted residential structures in cases where the removal of the property will stabilize the Target Geography. Demolishing the blighted structures will ultimately create a safer neighborhood and increase the surrounding property values. The demolition efforts will be targeted in areas to support the affordable, safe, and sanitary housing, and to support the NSP2 and other federal investment. The Consortium will work with the City's Bureau of Code Compliance to identify and demolish blighted structures via the In-Rem process. The City will serve as Project Manager for the Demolition Program. The City will place a demolition lien on the property and the property owners will retain their interest in the property after demolition. The Consortium will allocate \$2,000,000 (3% of NSP2 request) in NSP2 funding to support the demolition of approximately 200 properties.

Activity E: Redevelopment

While redevelopment of foreclosed properties is a major component of the Consortium's stabilization strategy, we believe that the ability to redevelop existing vacant residential properties is essential to overall community stabilization. The activity will allow the Consortium to purchase previously foreclosed properties that are currently investor owned, unimproved and unoccupied. The ability to access existing vacant homes and properties will allow the Consortium to implement a block-by-block approach towards community revitalization and stabilization. The Consortium is requesting \$22,400,000 in NSP2 funds to create a Redevelopment Program. NSP2 funds will be used to acquire existing vacant single-family homes, vacant lots, and existing vacant multifamily properties for rehabilitation and new construction. Redeveloped properties will be made available by sale, lease purchase or rent to households at or below 50% AMI and 120% AMI. ADA's role will be to provide financing, in conjunction with tax-exempt bond proceeds, for existing shovel-ready multifamily properties to be developed by third party developers. Integral and NorSouth will serve as Project Managers operating the program for Redevelopment of Multifamily Housing. ANDP and Macallan will

serve as Project Managers operating the program for Redevelopment of Single-family Homes. The single-family and multifamily Redevelopment Programs will support the activities undertaken by the Consortium under Activity B, C and D, as well as compliment the initiatives currently being undertaken in the City of Atlanta under NSP1. The terms of NSP2 funding under this activity will mirror the terms identified under Activity B. The Consortium anticipates redeveloping 445 units with an average NSP2 investment of \$50,000 per unit.

NSP2 Budget

	NSP2-Eligible Uses	CDBG Correlated Activities	Budget Allocation	Estimated # Units
A	Financing Mechanism: Establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties	As part of activity delivery cost for an eligible activity as defined in 24 CFR 570.206; also eligible activities listed below to the extent financing mechanisms are used to carry them out.	\$ 2,000,000	110
B	Acquisition/Rehab/Disposition: Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent or redevelop such homes and properties	24 CFR 570.201 (a) Acquisition (b) Disposition (i) Relocation, and (n) Direct homeownership assistance (as modified below): 570.202 eligible rehabilitation and preservation activities for homes and other residential properties (HUD notes that rehabilitation may include counseling for those seeking to take part in the activity).	\$ 24,250,000	365
C	Land Banking: Operate and Establish land banks for homes and residential properties that have been foreclosed	24 CFR 570.201(a) Acquisition and (b) Disposition	\$ 1,500,000	30
D	Demolition: Demolish blighted structures	24 CFR 570.201.(d) Clearance for blighted structures only.	\$ 2,000,000	200
E	Redevelopment: Redevelop demolished or vacant properties as housing	24 CFR 570.201 (a) Acquisition (b) Disposition (c) Public facilities and improvements, (e) Public services for housing counseling, but only to the extent that counseling beneficiaries are limited to prospective purchasers or tenants of the redeveloped properties, (i) Relocation, and (n) Direct homeownership assistance (as modified below): 24 CFR 570.202 Eligible rehabilitation and preservation activities for demolished or vacant properties. 24CFR 570.204 Community based development organization. HUD notes that any of the activities listed above may include required homebuyer counseling as an activity delivery cost.	\$ 22,400,000	445
F	Administration		\$ 5,794,444	NA
	TOTAL BUDGET		\$ 57,944,444	1260

3a. Long Term Stabilization

The Consortium program will commence immediately following our award in, hopefully, January 2010. As shown in our project completion schedule below, the first units will be delivered by the end of 2010 with significant impact evident by early 2011 as seen in the number of units sold or rented. This timeline will align with current projections for economic recovery in Atlanta in 2011 (see Rating Factor 1). The NSP2 investment will ensure that stabilization will occur in the Target Geography in early 2011 by bringing new investment and new households to it earlier than other areas and encourage other non-NSP investment in it. This strong growth will arrest current negative impacts and ensure long-term economic benefit through improved community characteristics (i.e. fewer foreclosures, limited blight and healthy levels of investment).

3b. Project Completion Schedule

Financing Mechanism

Start Date	March 2010	End Date	January 2012
	Major Task Undertaken	Expected Results	
1 st Q 2010	<ul style="list-style-type: none"> Develop Marketing Material 	<ul style="list-style-type: none"> Develop pipeline of potential homebuyers 	
2 nd Q 2010	<ul style="list-style-type: none"> Procurement of Homebuyer Counselors Conduct Lender & Realtor Training Accept Homebuyer Applications Execute Homebuyer Written Agreements Homebuyer Loan Closings 	<ul style="list-style-type: none"> Secure at least 4 HUD Homebuyer Counselor Train 10 lenders or realtors on NSP2 Accept 30 Homebuyer Assistance Applications Obligate Homebuyer Assistance for 15 Households Close 10 Homebuyer Assistance Loans 	
3 rd Q 2010	<ul style="list-style-type: none"> Lender & Realtor Training Accept Homebuyer Applications Execute Homebuyer Written Agreements Homebuyer Loan Closings 	<ul style="list-style-type: none"> Train 30 lenders or realtors on NSP2 Accept 90 Homebuyer Assistance Applications Obligate Homebuyer Assistance for 45 Households Close 45 Homebuyer Assistance Loans 	
4 th Q 2010	<ul style="list-style-type: none"> Lender & Realtor Training Accept Homebuyer Applications Execute Homebuyer Written Agreements Homebuyer Loan Closings 		
1 st Q 2011	<ul style="list-style-type: none"> Lender & Realtor Training Accept Homebuyer Applications Execute Homebuyer Written Agreements Homebuyer Loan Closings 		
2 nd Q 2011	<ul style="list-style-type: none"> Accept Homebuyer Applications Execute Homebuyer Written Agreements Homebuyer Loan Closings 	<ul style="list-style-type: none"> Accept 30 Homebuyer Assistance Applications Obligate Homebuyer Assistance for 50 Households Close 55 Homebuyer Assistance Loans 	
3 rd Q 2011	<ul style="list-style-type: none"> Execute Homebuyer Written Agreements Homebuyer Loan Closings 		
4 th Q 2011	<ul style="list-style-type: none"> Execute Homebuyer Written Agreements Homebuyer Loan Closings 		
1 st Q 2012	<ul style="list-style-type: none"> Execute Homebuyer Written Agreements Homebuyer Loan Closings Execute 		
Metric	# Homebuyer Assistance Loans Closed	Responsible Entity	ADA

Land Banking/Demolition

Start Date	July 2010	End Date	March 2013
	Major Task Undertaken	Expected Results	
3 rd Q 2010	<ul style="list-style-type: none"> Purchase properties for Land banking Identify Properties for Demo 	<ul style="list-style-type: none"> Acquire 30 properties for future development Identify 200 properties to demolish 	
4 th Q 2010	<ul style="list-style-type: none"> Purchase properties for Land banking Identify Properties for Demo 		
1 st Q 2011	<ul style="list-style-type: none"> Purchase properties for Land banking Identify Properties for Demo 		
2 nd Q 2011	<ul style="list-style-type: none"> Purchase properties for Land banking Identify Properties for Demo 		
3 rd Q 2011	<ul style="list-style-type: none"> Purchase properties for Land banking Identify Properties for Demo 		
4 th Q 2011	<ul style="list-style-type: none"> Purchase properties for Land banking Identify Properties for Demo 		
1 st Q 2012	<ul style="list-style-type: none"> Purchase properties for Land banking Identify Properties for Demo 		
2 nd Q 2012	<ul style="list-style-type: none"> Purchase properties for Land banking Identify Properties for Demo 		
3 rd Q 2012	<ul style="list-style-type: none"> Purchase properties for Land banking Identify Properties for Demo 		
4 th Q 2012	<ul style="list-style-type: none"> Purchase properties for Land banking Identify Properties for Demo 		
1 st Q 2013	<ul style="list-style-type: none"> Purchase properties for Land banking Identify Properties for Demo 		
Metric	# Units Demolished	Responsible Entity	City of Atlanta

Acquisition/Rehab/Disposition/Redevelopment

Start Date	April 2010	End Date	February 2013
	Major Task Undertaken	Expected Results	
2 nd Q 2010	<ul style="list-style-type: none"> Acquisition of SF Properties Acquisition of MF Properties 	<ul style="list-style-type: none"> Identify properties Property purchased Identify 190 SF units Purchase 730 MF properties Begin construction work Advertise units 	
3 rd Q 2010	<ul style="list-style-type: none"> Acquisition of SF Properties Acquisition of MF Properties Rehab Marketing – Sales & Leasing 		
4 th Q 2010	<ul style="list-style-type: none"> Acquisition of SF Properties Acquisition of MF Properties Rehab Marketing – Sales & Leasing 		
1 st Q 2011	<ul style="list-style-type: none"> Acquisition of SF Properties Acquisition of MF Properties Rehab Marketing – Sales & Leasing 		
2 nd Q 2011	<ul style="list-style-type: none"> Acquisition of SF Properties Acquisition of MF Properties Rehab Marketing – Sales & Leasing 		
3 rd Q	<ul style="list-style-type: none"> Acquisition of SF Properties 		

2011	<ul style="list-style-type: none"> • Acquisition of MF Properties • Rehab • Marketing – Sales & Leasing 		
4th Q 2011	<ul style="list-style-type: none"> • Acquisition of SF Properties • Acquisition of MF Properties • Rehab • Marketing – Sales & Leasing 		
1st Q 2012	<ul style="list-style-type: none"> • Acquisition of SF Properties • Acquisition of MF Properties • Rehab • Marketing – Sales & Leasing 		
2nd Q 2012	<ul style="list-style-type: none"> • Acquisition of SF Properties • Acquisition of MF Properties • Rehab • Marketing – Sales & Leasing 		
3rd Q 2012	<ul style="list-style-type: none"> • Rehab • Marketing – Sales & Leasing 	<ul style="list-style-type: none"> • Begin construction work • Advertise units 	
4th Q 2012	<ul style="list-style-type: none"> • Rehab • Marketing – Sales & Leasing 		
1st Q 2013	<ul style="list-style-type: none"> • Marketing – Sales & Leasing • Asset Management/Compliance 	<ul style="list-style-type: none"> • Advertise units • Begin Monitoring 	
Metric	# Units Developed	Responsible Entity	ANDP, The Integral, Macallan & Norsouth

3c. Income Requirements

The Consortium will help stabilize neighborhoods impacted by foreclosure across the Target Geography through acquisition, rehabilitation, and repopulation of vacant single-family homes and multi-family housing units. We propose to utilize NSP2 funding to address households at or below 120% of AMI in the following manner:

The single-family homes will be marketed and sold or lease-purchased to households whose incomes are at or below 120% of AMI. The Consortium will allow the potential homebuyer to leverage the NSP2 investment with other local down-payment assistance programs in an effort to attract more homebuyers and provide the homebuyers with a quality product at the most affordable price.

Under this program, in an effort not to “over subsidize” buyers, the amount of the NSP2 second mortgage would be carefully determined based upon income ranges and other requirements imposed by program regulations.

Targeting funds for those with incomes no greater than 50% AMI

The Consortium will ensure that at least \$14,486,111 (25% of funds) are spent on behalf of households whose income is no greater than 50% AMI by targeting units in rental properties that are funded through this program. NSP2 funds will be leveraged in conjunction with existing rental development programs such as Low-Income Housing Tax Credit and tax-exempt bonds or rental subsidy programs.

The City of Atlanta will also leverage other federal and local loans, grants and guarantee programs in conjunction with the NSP2 program to redevelop rental units on foreclosed or vacant residential properties. All of these units will be rented to households that earn 60% or less of the area median income for at least the initial 15-year compliance period as required by the tax credit program. In addition, at least 35 to 40% of the total rental units will be targeted to households at 50% AMI as a means of insuring that at least 25% of the NSP2 funds are spent on such income-qualified residents.

3d. Continued Affordability

The use of the NSP2 funds will work to stabilize deteriorating neighborhoods within the Target Geography and provide a mechanism to enhance the availability of affordable housing for Atlanta's residents. With the NSP2 funding, the Consortium will seek to ensure the availability of affordable housing for both homeownership and rental housing options.

Long-Term Compliance Monitoring Plan. The Consortium will engage its long-term monitoring strategy to insure compliance. Monitoring begins when project funds have been expended and a project is completed. This type of monitoring applies to rental housing and homebuyer projects. Long-term monitoring assures compliance with requirements related to unit rents, tenant incomes, affirmative marketing and fair housing, the condition of the property, and homebuyer resale/recapture provisions. These requirements will be imposed for 5 to 20 years, depending on the type of project and amount of NSP2 funds invested.

Single-family Homeownership. For single-family housing that is acquired, rehabilitated or redeveloped for lease-purchase and/or home-ownership opportunities, the Consortium will implement an affordability period consistent with, and that may exceed HUD's Home Investments Partnerships program (HOME) regulatory requirements. The affordability period for NSP2-funded activities is based on the direct NSP2 investment passed on to the homebuyer. The NSP2 affordability periods are shown below:

HOMEOWNERSHIP ACTIVITY	AVERAGE PER-UNIT HOME \$	MINIMUM AFFORDABILITY PERIOD
Acquisition, Financing, Rehabilitation, or New Construction of SF Housing	<\$15,000/unit	5 years
	\$15,000- \$40,000/unit	10 years
	\$40,000-\$90,000	15 years
	>\$90,000	20 years

The Consortium will use the recapture restrictions to ensure long-term affordability. The Consortium will place a lien on the property via a security deed with the City of Atlanta, which will recapture all or a portion of the NSP2 funds provided as direct subsidy to the homebuyer.

Rental Housing. For single-family and multifamily housing acquired, rehabilitated or redeveloped as rental properties, the City will implement an affordability period at least as strong as HUD's Home Investments Partnerships program (HOME) regulatory requirements. New construction of multifamily rental housing properties must be affordable for a minimum of 20 years and the owner must enter into an agreement and issued a land use restriction agreement

(LURA) with the City of Atlanta, which will run with the land. Rents will be set in accordance with the definition of affordable rents described in Definitions in Appendix 5 of the Attachments. The City or its designated agency will monitor the multifamily rental developments that are assisted with NSP2 funds during the affordability period every 3 years to ensure that the units are affordable and that the property continues to meet the minimum housing quality standards or any additional housing inspection standards, the City of Atlanta deems necessary.

RENTAL HOUSING ACTIVITY	AVERAGE PER-UNIT HOME \$	MINIMUM AFFORDABILITY PERIOD
Acquisition or Rehabilitation of Existing SF or MF Housing	<\$15,000/unit	5 years
	\$15,000- \$40,000/unit	10 years
	\$40,000-\$90,000	15 years
	>\$90,000	20 years
New Construction of SF or MF Housing		20 years

Community Land Trust. In an effort to encourage the availability and sustainability of affordable housing, the Consortium will encourage the creation of Community Land Trusts (CLT) through the NSP2 program, when feasible. The CLT model will require that properties acquired and redevelop with NSP2 funds remain affordable into perpetuity. The CLT will be a mechanism for the democratic ownership of land by the local community. Land is taken out of the market and separated from its productive use so that the impact of land appreciation is removed, therefore enabling long-term affordable and sustainable local development. The value of public investment, philanthropic gifts, charitable endowments, legacies or development gain is thus captured in perpetuity, underpinning the sustainable development of a defined neighborhood. Through the CLT model, local residents will participate in and take responsibility for planning and delivering redevelopment schemes.

3e. Assertive Strategies for Outreach and Marketing Affordable Homes

Consultation with Local Government

The City of Atlanta received an allocation of \$16.2M in NSP1 funds from HUD and the Georgia Department of Community Affairs, which is currently being implemented in part by members of the Consortium. As the Consortium has developed the NSP2 applications, great thought was put into the plan to compliment and build off the efforts anticipated for the City of Atlanta's NSP1 program. The City will continue to coordinate NSP Developer Meetings to allow collaboration, idea sharing, and problem solving as it relates to the implementation of NSP1 and NSP2.

Outreach and Marketing

Outreach to qualified buyers will take place on a number of different levels and will include a conventional marketing plan as well as additional steps specifically intended to reach our target homebuyer/tenant.

The traditional marketing plan for each property will be implemented through a combination of the Macallan Properties brokerage and local Realtors who have in-depth experience in the Target Geography and who are already working with the Consortium. This plan shall include:

- Posting on the multiple listing services (FMLS and GMLS)
- Outreach to agent offices and community organizations
- Extensive signage
- Web based marketing to include a website showcasing all available properties
- Open Houses of available properties and decorated model homes
- Advertisements in local publications

In addition to traditional marketing activities, the Consortium will employ an assertive marketing program that targets income-qualified homebuyers and lease purchase candidates. Building on past experience, Consortium Members and Partners will engage a variety of successful marketing and outreach strategies to reach workforce buyers. Efforts may include the following:

- Host information sessions for local hospitals, government employees, police officers, fire officials, and others who represent the low-to-moderate wage professional workforce
- Conduct regular Open Houses including decorated model homes
- Employ prominent signage and street-level advertisement which have proven to generate the most traffic in our previous sales and marketing campaigns
- Share in performance reporting information with major employers in nearby job centers especially those with Employer Assisted Housing programs
- Generate media coverage when possible about successful implementation of NSP2 funding
- Advertise listings in local publications when possible and appropriate
- Post property listings on Multiple Listing Service (MLS), Georgia Housing Search database, Craigslist and other online real estate listing web sites
- Post detailed property information, photos and videos on various websites
- Develop a website with a "subsidy calculator" that allows a prospective buyer to calculate an estimate of his/her mortgage

The Consortium's objective is to purchase the most marketable properties in the Target Geography for the best value and to quickly return restored units back to the community. In order to accomplish this objective, it is critical that we have qualified families available to occupy NSP2 homes as either purchasers or lease-purchase tenants. We believe that these marketing efforts will insure the availability of qualified buyers as NSP2 homes become available.

Community participation and support is essential to the success of the Consortium's NSP2 program. The Consortium will ensure that the citizens of Atlanta have access and regular updates to program design, policies, progress, opportunities, program results and information on properties impacted. This will be done through i) posting information on the websites of Consortium Members and Partners, and ii) providing for regular information sessions by

attendance at community meetings in and around the Target Geography. If citizens have questions or comments, the Consortium will strive to answer these as expeditiously as possible. The Consortium will implement a policy of working to cure any citizen complaints it within 15 days, if feasible.

3f. Performance and Monitoring

The Consortium recognizes the importance of performance monitoring and program oversight for NSP2 funds. The City of Atlanta, as Lead Member will assume the responsibility for ensuring that the implementation of the proposed program will be accordance with the federal guidelines and the program requirements for NSP2.

Monitoring

Bureau of Housing staff will follow the CDBG/HOME monitoring procedures for NSP activities to accomplish the following objectives:

- To identify and track program and project results
- To ensure the timely expenditure of funds
- To document compliance with Program requirements;
- To prevent fraud and abuse
- To identify innovative tools and techniques that support affordable housing goals

The BOH will perform desk reviews, on-site monitoring, long-term compliance monitoring, and financial management for all NSP2 activities. The focus of these monitoring activities will be to ensure that the operations of the Consortium are carried out in compliance with applicable federal rules and regulations. The Bureau of Housing will provide input to the City's Office of Grants Management that will in turn confirm that project outcomes are within the proposed goals and objectives.

Types of Monitoring

1. Internal audit monitoring ensures that BOH staff follows proper underwriting, project selection and program procedures, appropriately documents files, and properly follows Federal and state program regulations as NSP2 investments are made.
2. Project implementation monitoring ensures that property owners and staff develop their projects in compliance with NSP2 and other Federal standards. This monitoring ensures that NSP2 projects are constructed in compliance with applicable standards as well as the approved project plans, built in compliance with Federal regulations such as Davis-Bacon labor standards, the Uniform Relocation Act, and environmental protection statues, and marketed in compliance with fair housing laws.
3. Program monitoring evaluates the operations and management of the developers, sub-recipients, and Consortium Members for efficiency, effectiveness, and compliance.
4. Long-term monitoring begins when NSP2 project funds have been expended and a project is completed. This type of monitoring applies to rental housing and homebuyer projects. Long-term monitoring assures compliance with requirements related to unit rents, tenant incomes, affirmative marketing and fair housing, the condition of the property, and homebuyer resale/recapture provisions.

Internal Audit

The City of Atlanta Auditor is responsible for preparing and submitting an annual audit schedule to the Audit Committee for review and comment at the beginning of each fiscal year. The charter authorizes the Audit Committee to amend the annual audit plan during the year. The City Auditor reviews all major changes to the plan with the Audit Committee and notifies the Committee of other changes. The City Auditor may amend the schedule after its review by the Audit Committee, based on requests, legislative directives, the City Auditor's own discretion, staff changes, or unanticipated developments in projects once they are underway.

In developing the annual audit plan, the City Auditor and Chief Administrative Officer identify potential audit topics based on several factors:

- Assessing financial and performance risks
- Reviewing the financial auditors' results
- Considering requests and suggestions from the City Council as a whole, the Finance/Executive Committee of the City Council, the mayor, city management, and other interested parties
- Determining the feasibility of audit topics and the availability of resources

Not all risk factors are quantifiable. The City Auditor uses judgment and opportunities to improve outcomes to select audit projects. The City Auditor considers:

- the impact the audit would have (the problem or risks it would address and the likely types of findings and recommendations to result)
- the sensitivity, complexity, and difficulty of the project compared to its likely impact
- staff qualifications and other resources available
- the breadth and depth of audit coverage across city government

The Deputy City Auditor in the City of Atlanta Internal Audit Office has been in discussions with other auditors around the country about the evolving reporting and compliance requirements attached to ARRA funding. The Internal Audit Office will continue to meet with city officials and staff to share information and acquaint them with what the city is doing to meet the requirements of NSP2 and will add specific audit work to their annual audit plan as warranted.

RATING FACTOR 4: LEVERAGING OTHER FUNDS

The Consortium is comprised of affordable housing partners that are committed to the creation and preservation of affordable housing in the City of Atlanta. Because of the continued commitment, the outstanding track records, and the financial strength of our member partners, the Consortium is uniquely positioned to attract and secure the equity funds, and other institutional public/private financing to leverage with NSP2 funding. With greater than a 2:1

leverage of public/private financing to NSP2 funding, we are confident that we can make tremendous strides in addressing the foreclosure crisis here in the City of Atlanta.

Over the past two years, members of the Consortium have been successful in attracting over \$222,000,000 in public and private funds to produce over 5,161 units of affordable housing. This team has been able to leverage an array of financing mechanisms including, but not limited to: conventional bank debt, low income housing tax credits, tax-exempt bond financing, Federal Home Loan Bank Loans, HOPE VI funding, foundation grants, FHA (221)(d)(4) loans, tax increment financing, new market tax credits, HOME, CDBG and several locally funded trust funds.

To leverage the anticipated NSP2 award, the Consortium has secured non-NSP, non-CDBG and other non-federal funding commitments in the amount of \$137,752,000.

	Contributing Agency/Institution	Designation	Funding Sources	Amount/Value
1	Urban Residential Finance Authority	State	Tax-Exempt Bonds	\$70,391,000
2	Urban Residential Finance Authority	Local	Housing Opportunity Trust Fund	\$13,754,000
3	Atlanta Development Authority	Local	Beltline Affordable Housing Trust Fund	\$8,296,000
4	Urban Residential Finance Authority	Local	Vine City/English Avenue Trust Fund	\$2,511,000
5	Enterprise Foundation	Private	Atlanta Land Acquisition Pool	\$10,500,000
6	Integral Urban New Market CDE	Local	New Market Tax Credit Program	\$10,000,000
7	Imagine Downtown	Local	New Market Tax Credit Program	\$10,000,000
8	Self Help Ventures Fund	Private	Venture Funds (Lease Purchase Financing)	\$3,500,000
9	Mercy Loan Fund	Private	Private Loan Fund	\$3,000,000
10	Housing Partnership Fund, Inc.	Private	Private Loan Fund	\$1,000,000
11	Housing Partnership & Mercy Loan Fund	Private	Private Loan Fund (Bridge Financing)	\$2,000,000
12	Atlanta Development Authority	Local	Westside TAD Neighborhood Fund (WTNF)	\$2,800,000
13	Atlanta Development Authority	Local	WTNF - Land Donation	Undetermined
14	Atlanta Development Authority	Local	Commercial Tax Allocation District	Undetermined
			TOTAL	\$ 137,752,000

RATING FACTOR 5: ENERGY EFFICIENCY IMPROVEMENT AND SUSTAINABLE DEVELOPMENT FACTORS

The Consortium is committed to building transit-oriented, sustainable communities and utilizing sustainable or green building techniques, where appropriate. The City recently adopted "Connect Atlanta," the first comprehensive transportation plan that identifies transportation plans and financing options in cooperation with the City's Comprehensive Development Plan. In addition, the City has recently drafted a Sustainable Building Ordinance

that mandates green building requirements in mid-size and larger residential and commercial structures, which will be introduced to City Council by the end of the year for adoption.

5a. Public Transit

One hundred percent of the Target Geography is transit accessible, all census tracts have local bus service approximately every 20 minutes during rush hour and all are served by and/or are adjacent to another census tract that is served by a passenger rail stop or station. Service is provided by the Metropolitan Atlanta Rapid Transit Authority (MARTA). MARTA is the ninth largest rapid transit system in the United States. It operates in Fulton and DeKalb Counties, with connecting service to surrounding suburban counties, including Cobb, Clayton and Gwinnett Counties. The Target Geography is served by 10 MARTA rail stations. These stations provide access from the residential communities of the City to the employment centers of Downtown, Midtown, Buckhead, and the Central Perimeter submarkets, along with direct access to Hartsfield-Jackson Airport. The City is served by 193 MARTA bus routes offering repeated service during rush hour periods; the Target Geography is served by a significant number of these routes.

5b. Green Building Standards

In 2008, the City implemented an "Affordable Workforce Housing Green Building Policy" which encourages nonprofit developers applying for federal housing funds for residential construction (new or rehabbed) to incorporate green building practices into their program. The Consortium is utilizing the EarthCraft Community Program to go hand in hand with EarthCraft Homes to promote environmental and energy efficient developments, emphasizing not only the "green" development and construction methods, but as neighborhood outreach programs to educate and demonstrate the techniques and methods to area residents. The following guidelines will be implemented from the EarthCraft Communities (ECC) program:

- For single-family homes or buildings up to three stories requiring full gut-rehabs, Energy Star Qualified New Homes standards and EarthCraft House New Construction or EarthCraft Multifamily New Construction standards will be met.
- For single-family homes or buildings up to three stories requiring moderate or partial rehabilitation, Energy Star guidelines and rated products for heating and cooling systems, building insulation, windows and doors, appliances and fixtures will be met, as well as EarthCraft House Renovation or EarthCraft Multifamily Renovation standards to the extent reasonably feasible within the scope of work.
- For mid- or high-rise multi-family buildings requiring full gut-rehabs, American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) Standard 90.1-2004, Appendix G plus 20 percent, and EarthCraft Multifamily New Construction standards will be met.
- For mid- or high-rise multi-family buildings requiring moderate or partial rehabilitation, Energy Star guidelines and rated products for heating and cooling systems, building insulation, windows and doors, and appliances and fixtures will be met, as well as EarthCraft House Multifamily Renovation standards to the extent reasonably feasible within the scope of work.

5c. Re-use of Demolition Sites

All demolition sites will be secured and maintained in the interests of public safety, according to the City's In-Rem process and applicable State laws upon the completion of demolition activities. Through the City's In-Rem process, potential sites for demolition will be selected based on their threat to public health and safety and in an effort to support and/or stabilize an area adjacent to an NSP2 development. As such, no demolished sites will be acquired by the Consortium; therefore, the ability to re-use the demolished site will not be legally possible.

5d. Deconstruction Techniques

In keeping with the Consortium's commitment to green building standards, the City will explore the opportunity to develop a policy that encourages proven deconstruction techniques in the conduct of the NSP2 projects. The Consortium will seek to incorporate the salvage and reuse of demolished materials into future demolition contracts when economically feasible.

5e. Sustainable Building Practices

In accordance with the "Affordable Workforce Housing Green Building Policy", the City made energy efficiency and environmentally friendly green building a requirement for all units developed under NSP1. The City is working directly with Enterprise Community Partners, the Home Depot Foundation and Southface Energy Institute to develop the energy efficient and environmentally friendly green criteria for NSP1 and will utilize the similar criteria for NSP2. The following is an overview of the energy efficient and environmentally friendly green criteria that will be required for NSP2:

- **Sustainable Site Design**
 - **Transportation Choices (Single-family & Multifamily):** Locate projects within one-quarter mile of at least two, or one-half mile of at least four community and retail facilities.
 - **Connections to Surrounding Neighborhoods (Multifamily Only):** Provide three separate connections from the development to sidewalks or pathways in surrounding neighborhoods
 - **Walkable Neighborhoods (Single-family & Multifamily):** Connect project to the pedestrian grid and include sidewalks or other all-weather pathways linking residential development to public spaces, open spaces and adjacent development.
 - **Energy Efficient Landscaping (Single-family & Multifamily):** Locate trees and plants to allow for heat gain in the winter, provide shading in the summer and that shades hardscapes.
- **Water Conservation**
 - **Efficient Irrigation (Single-family-optional/Multifamily-required):** Install low volume, non-spray irrigation system (such as drip irrigation, bubblers, or soaker hose).
 - **Indoor water efficiency (Single-family and Multifamily):** Install low flow water fixtures with (a) flow rates that are below the NEPA standard OR (b) flow rates of 2.0 gpm or lower for kitchen faucets, showers and lavatory faucets, and toilets with 1.45 gpf or dual flush.

- **Energy Efficient Materials**
 - **Durable Materials (Single-family-optional/Multifamily-required):** Use exterior cladding materials such as stone, brick or concrete that last longer than conventional counterparts and carry a 40+ year warranty.
 - **Local Source Materials (Single-family & Multifamily):** Use materials from local sources that have been extracted, processed and manufactured within 500 miles of the job site.
 - **Solar-reflective Paving (Single-family & Multifamily):** Use light-colored/high-albedo materials and/or open-grid pavement with a minimum Solar Reflective index of 0.6 over at least 30 percent of the site's hardscaped areas.
 - **Green Roofing (Single-family & Multifamily):** Use Energy Star-compliant and high-emissive roofing.
 - **Efficient Energy Use (New Construction Only):** Meet Energy Star standards
 - **Energy Star Appliances (Single-family & Multifamily):** Install energy star dishwashers, refrigerators and clothes washers.
 - **Efficient Lighting (Single-family & Multifamily):** Install energy star advanced lighting package in all interior units. Install high efficiency commercial grade fixtures in all common areas and outdoor in multifamily projects. Install daylight sensors or timers on all outdoor lighting in single-family homes, including front and rear porch lights.
- **Healthy Homes**
 - **Green Label Certified Floor Covering (Single-family & Multifamily):** Do not install carpet in basements, entryways, laundry rooms, bathrooms or kitchens. If using carpet, use the Carpet and Rug Institute's Green Label certified carpet and pad.
 - **Sealing Joints (Single-family & Multifamily):** Seal all wall, floor and joint penetrations to prevent pest entry; provide rodent and corrosion proof screens (e.g., copper or stainless steel mesh) for large openings.
 - **Tub and shower Enclosures (Single-family & Multifamily):** Moisture Prevention. Use one-piece fiberglass or similar enclosure or, if using any form of grouted material, use backing materials such as cement board, fiber cement board, fiberglass reinforced board or cement plaster.
 - **Low/No VOC Paints and Primers (Single-family & Multifamily):** Specify that all interior paints and primers must comply with current green seal standards for low VOC.
 - **HVAC Sizing (Single-family & Multifamily):** Size heating and cooling equipment in accordance with the Air Conditioning Contractors of America Manual, Parts J and S, ASHRAE handbooks, or equivalent software.
 - **Green Maintenance Guide (Single-family & Multifamily):** Provide a guide for homeowners and renters that explains the intent, benefits, use and maintenance of Green building features, and encourages additional Green activities such as recycling, gardening and use of healthy cleaning materials.
 - **Resident Orientation (Single-family & Multifamily):** Provide a walk-through and orientation to the homeowner or new tenants.

RATING FACTOR 6: CONSISTENT WITH AN ESTABLISHED COMPREHENSIVE, REGIONAL, OR MULTI-JURISDICTION PLAN

The Atlanta Regional Commission (ARC) developed in 2007 a Regional Development Plan (RDP)¹⁰ that sets forth policies to guide future development decisions in the region. The City certifies that this application for NSP2 funding complies with the ARC's RDP and relevant City plans and studies. RDP policies seek to integrate land use decisions with transportation, environmental and other public investment decisions. These policies serve as recommendations to local governments for endorsement or implementation within their local planning efforts and guide ARC's regional planning efforts.

The RDP was crafted through a collaboration of Cities and Counties within the Atlanta metropolitan region. The intent of the plan is to guide future development in the region, including land use and housing elements. Two examples where the Application complies with the Regional Development Plan are:

- 1) Housing¹¹ - On page 6-28 and 6-29 of the Plan, a need for affordable and workforce housing units is established due to the growing population. The NSP1 program squarely fulfills this goal through the construction of quality new or rehabbed units. Furthermore, under this NSP2 application, the Consortium is proposing to develop apartments, which are critically needed for lower income households.
- 2) Land Use¹² - On page 8-32, more compact, mixed-used communities are encouraged to allow residents choices of transportation, housing and employment. This application meets this by providing infill and rehabbed housing units that are near existing transportation, housing and employment. Furthermore, a substantial portion of the target area overlaps with the proposed Beltline¹³, which will provide additional transportation and green space options in the near future.

This application is in accordance with the City's Redevelopment Plans for the proposed target areas. The City's Master Plans and Redevelopment Plans by design include: 1) a statement that the Plan is consistent with the City's Comprehensive Plan; 2) clearly defined boundaries of the redevelopment area(s); 3) City's land use objectives for the area (types of uses, building requirements, zoning changes, and development densities); 4) sustainable quality development using smart growth principles; and 5) public infrastructure to be provided

The activities proposed within the Target Geography of this application comply with the Redevelopment Plans listed below; this list comprises a complete list of Plans for the target area.

¹⁰ <http://www.atlantaregional.com/html/317.aspx>

¹¹ http://www.atlantaregional.com/documents/lu_rdp_ch6_housing_12_04.pdf

¹² http://www.atlantaregional.com/documents/lu_rdp_ch8_landuse_12_04.pdf

¹³ <http://www.beltline.org/>

City of Atlanta Consortium (Atlanta, Georgia)
NSPII Application, # 483062524

Group 1	Group 2
Edgewood Redevelopment Plan	Southside Redevelopment Plan
Rehabilitation Plan for Kirkwood, Edgewood, East Lake	Peoplestown Redevelopment Plan
Hosea Williams Commercial Corridor Study in conjunction with the Kirkwood Community and Kirkwood Master Plan Process	Edgewood Redevelopment Plan
Old Fourth Ward Redevelopment Plan & Butler-Auburn Redevelopment Plan	
East Atlanta Village Plan	
Eastside Atlanta Redevelopment Plan	
Group 3	Group 4
Oakland City/Lakewood Livable Centers Initiative (LCI) Plan	Martin Luther King, Jr. Drive Corridor Transportation Study
West End LCI Plan	
Pittsburgh Redevelopment Plan	
Vine City Redevelopment Plan	
Bankhead MARTA Transit Area LCI Plan	
Donald L. Hollowell Parkway Redevelopment Plan	
Vine City/Washington Park LCI Plan	
West Lake MARTA LCI	
Metropolitan TAD Redevelopment Plan	
English Avenue Community Redevelopment Plan	
Group 5	
Campbellton Road Tax Allocation District (TAD) Redevelopment Plan	
Oakland City/Lakewood LCI Plan	
Fort McPherson Redevelopment Plan	
Metropolitan TAD Redevelopment Plan	

Certifications for Neighborhood Stabilization Program 2

(1) **Affirmatively further fair housing.** The City of Atlanta will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the City of Atlanta, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.

(2) **Anti-displacement and relocation plan.** The City of Atlanta certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan.

(3) **Anti-lobbying.** The City of Atlanta will comply with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.

(4) **Authority of City of Atlanta.** The City of Atlanta possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.

(5) **Acquisition and relocation.** The City of Atlanta will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the Notice for the NSP program published by HUD.

(6) **Section 3.** The City of Atlanta will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.

(7) **Citizen Participation.** The City of Atlanta is in full compliance and following a detailed citizen participation plan in accordance with NSP2 requirements.

(8) **Use of funds.** The City of Atlanta will comply with Title III of Division B of the Housing and Economic Recovery Act of 2008, as modified by the American Reinvestment and Recovery Act, by spending 50 percent of its grant funds within 2 years and spending 100 percent within three years of receipt of the grant.

(9a) **Use NSP funds \leq 120 of AMI.** The City of Atlanta will comply with the requirement that all of the NSP funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income.

(9b) **Assessments.** The City of Atlanta will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the City of Atlanta certifies that it lacks NSP or CDBG funds to cover the assessment.

(10) **Excessive Force.** The City of Atlanta certifies that it has adopted and is enforcing: (1) a policy prohibiting the use of excessive force by law enforcement agencies within the City of Atlanta against any individuals engaged in non-violent civil rights demonstrations; and (2) a policy of enforcing applicable State and local laws against physically barring entrance to or exit from, a facility or location that is the subject of such non-violent civil rights demonstrations within the City of Atlanta.

(11) **Compliance with anti-discrimination laws.** The NSP grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.

(12) **Compliance with lead-based paint procedures.** The activities concerning lead-based paint will comply with the requirements of part 35, subparts A, B, J, K, and R of this title.

(13) **Compliance with laws.** The City of Atlanta will comply with applicable laws.

 7/15/09

Signature/Authorized Official Date

Lee Hannah

Printed Name



Atlanta Development Authority

June 25, 2009

Ms. Evelyn Nu'Man, Director
City of Atlanta Bureau of Housing
Department of Planning and Community Development
68 Mitchell Street, SW, Suite 1200
Atlanta, Georgia 30335

Re: Neighborhood Stabilization Program 2

Dear Ms. Nu'Man:

The Urban Residential Finance Authority (URFA), the Housing Finance arm of the Atlanta Development Authority is pleased to outline the funding sources available to complement the Neighborhood Stabilization Fund Program. These leveraging funds have been identified from four (4) distinct programs currently being administered by URFA:

■ **URFA Tax Exempt Bond Allocation – \$70,391,000**

In accordance with the State of Georgia Allocation Plan, URFA receives 19% of the housing allocation each year. For the 2009 year, this amount is \$70,391,000 which gives URFA the ability to issue tax exempt bonds up to this dollar value for multifamily and single family bond issuance. On multifamily deals, URFA tax exempt bonds serve as the first mortgage financing at an attractive interest rate for developments, with subordinate debt being identified from other sources, such as NSP.

■ **Housing Opportunity Bonds – \$13,754,000**

In 2007, the City approved the issuance of \$35million in Housing Opportunity Bonds to incentivize workforce housing in Atlanta. The balance of funding shown above is available as a low interest rate loan to be coupled with NSP funding to facilitate the development of small and large multifamily developments as well as single family loans.

■ **Beltline Affordable Housing Trust Fund Program – \$8,296,000**

The Atlanta Beltline will transform the city of Atlanta by combining parks and greenspace, transit and trails, transportation and pedestrian access as well as affordable housing along 22 miles of historic rail segments encircling the urban core. Over the 25 year life of this project, 15% of each bond issuance is allocated to URFA to implement the affordable housing strategy. Grant funding currently available to complement NSP activities is 8,296,000.

■ **Vine City/English Avenue Trust Fund – \$2,511,000**

This Trust Fund was established in 1989 to stimulate redevelopment activities in the Vine City neighborhood adjacent to the Georgia Dome World Congress Center. Funding available in the form of low interest rate loans may be used to complement both multifamily and single family developments within these neighborhoods.

Ms. Evelyn Nu'Man
June 25, 2009
Page 2

These sources total **\$94,952,000** that is potentially be available to layer with NSP funding for a multitude of projects as well as mortgage financing for homebuyers in our NSP targeted areas. We are excited about the opportunities presented to transform many of Atlanta's stable but declining neighborhoods identified as target areas through NSP2.

Sincerely,

A handwritten signature in black ink, appearing to read "Ernestine W. Garey". The signature is fluid and cursive, with the first name being the most prominent.

Ernestine W. Garey
Managing Director of Housing Finance

/eg



Atlanta Development Authority

June 26, 2009

Ms. Evelyn Nu'man
Director of the Bureau of Housing
Department of Planning and Community
Development
68 Mitchell Street
Suite 1200
Atlanta, GA 30303

Re: Neighborhood Stabilization Program 2 ("NSP2")

Dear Ms. Nu'man:

The Atlanta Development Authority ("ADA"), the City's economic development agency, has been committed to its mission of redevelopment in underserved communities. The ADA has utilized Tax Allocation Districts ("TADs"), one of its most effective tools, to incite development in areas that have experienced significant disinvestment.

In January 2006, the ADA issued a Request for Proposal ("RFP") to attract capital improvement projects in the Westside TAD Neighborhood community. This community is defined as English Avenue and Vine City. The Westside TAD Neighborhood Fund (the "Fund") deployed \$13.8 million and leveraged another \$25 million in public and private funds. As a result, the community realized several key projects such as an expanded community health facility, market rate and affordable housing, community space, parks and greenspace, and housing rehabilitation.

In August 2009, the ADA will issue its third RFP for the Westside TAD Neighborhood to address the abundance of abandoned, vacant and foreclosed properties, commercial corridors and job centers. We intend to deploy an additional \$2.8 million in the community and will seek to attract additional funds to effectively address the community's most urgent needs as articulated in the City's New Century Economic Development Plan. The NSP2 leveraged with the Westside TAD Neighborhood Fund would greatly impact the focus area and directly address the critical foreclosure issue plaguing this historic community.

In addition to the RFP, the ADA intends to take possession of an approximately 5 acre site in Vine City. Upon further due diligence, the ADA will solicit a private developer partner to redevelop the land and produce affordable housing units. A project of this nature could be very catalytic for this area. I look forward to working with you and thank you for your willingness to invest in the future of our city.

86 Pryor Street, SW, Suite 300
Atlanta, GA 30303
404.880.4100 Phone
404.880.9333 Fax
www.atlantada.com

ADA



Atlanta Development Authority

Urban Residential Finance Authority
Downtown Development Authority

Respectfully Submitted,

Tarnace Watkins
Program Manager, TADs



June 28, 2009

Ms. Evelyn Nu'Man, Director
Bureau of Housing
City of Atlanta
Department of Planning and Community Development
68 Mitchell Street, SW, Suite 1200
Atlanta, Georgia 30335

Re: Neighborhood Stabilization Program 2

Dear Ms. Nu'Man:

We have been advised that the City of Atlanta along with their consortium partners, the Atlanta Development Authority, The Integral Group, Atlanta Neighborhood Development Partnership, Norsouth Companies and the Macallan Group will submit a joint application to HUD for funding under the Neighborhood Stabilization Program 2. We are pleased to support this application for funding to address the detrimental impact of foreclosures on the Atlanta community.

In 2007, Enterprise Community Partners, Inc. created a \$25.5 million Atlanta Land Assemblage Pool for the purpose of acquisition and assemblage of land for affordable housing development. The investors in this pool include SunTrust Bank, Wachovia Bank, Atlanta Renewal Communities Coordinating Responsible Authority (ACoRA), City of Atlanta and Living Cities (Enterprise). Enterprise Community Loan Fund is borrowing all of the capital from these investors and re-lending the capital to affordable housing developers in Atlanta.

We are pleased to announce that **\$10.5 million** is currently available through the pool to leverage with Neighborhood Stabilization Funds for land acquisition. Enterprise is committed to providing resources to stem the tide of foreclosures and re-stabilize Atlanta's inner city neighborhoods. This will also protect many public dollars that have already been invested in these communities over the years.

We look forward to continuing a great partnership with the City of Atlanta.

Sincerely,

A handwritten signature in cursive script, reading "Clara Axam", followed by a long horizontal line extending to the right.
Clara Axam



June 3, 2009

Amon Martin
Development Director
Planned Communities Division
The Integral Group
60 Piedmont Avenue
Atlanta, GA 30303

Dear Amon,

Integral Urban New Markets CDE ("Fund") is pleased to write this letter of support for Integral Development, LLC's request to the City of Atlanta and the Atlanta Development Authority to partner to apply for Neighborhood Stabilization Program 2 ("NSP2") Funding. We understand that the NSP2 funding is to provide financial assistance to areas of greatest need affected or likely to be affected by foreclosed and abandoned residential properties in the City of Atlanta.

Integral Urban New Markets CDE has received \$57M in the New Market Tax Credit (NMTC) Program, of which substantially all have been invested. Approximately \$41M has been invested in Atlanta. We have applied for \$90M of NMTC in April 2009.

We are willing to allocate up to \$10M to Integral Development, LLC to leverage the NSP2 funding to acquire/reposition existing foreclosed, vacant and/or abandoned multifamily residential properties. All final acquisition, financing and disposition decisions with respect to the Fund's investment will require the unanimous consent of the Fund's investment committee.

Again, we are pleased to support this effort and look forward to working with you to correct the negative effects of foreclosed properties in the City of Atlanta. If you have any questions or require any further information, please do not hesitate to call (404) 224 - 1909.

Respectfully,


Carl Powell



CREATING OWNERSHIP AND ECONOMIC OPPORTUNITY

February 27, 2009

Tayani Suma
Director of Housing Development
Atlanta Neighborhood Development Partnership, Inc.
235 Peachtree Street, NE
Suite 2000
Atlanta, GA 30303

Dear Ms. Suma,

This letter is to confirm that Self-Help Ventures Fund has approved and is issuing a summary of approved terms to the Atlanta Neighborhood Development Partnership, Inc. ("ANDPI") for up to \$3.5 million under our Lease-Purchase Mortgage Program. This is to support ANDPI's Foreclosure Redevelopment Program and the redeployment of foreclosed properties in the Atlanta metro area to a lease-to-purchase disposition.

We are pleased to support the important work of ANDPI to address the foreclosure crisis in the Atlanta region.

Best regards,

Catherine V. Godschalk
Washington, DC Branch Director
Self-Help Ventures Fund

910 17th Street, NW 5th Floor
Washington, DC 20006

Tel: 202.349.1860 / Fax: 202.289.9009
www.self-help.org



An Affiliate of the Housing Partnership Network



Mercy Housing

July 1, 2009

John O'Callaghan, President and CEO
Atlanta Neighborhood Development Partnership
235 Peachtree Street, N.E., Suite 2000
Atlanta, GA 30303

Dear John:

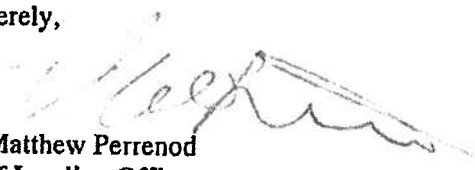
Thank you for your funding request to finance Atlanta Neighborhood Development Partnership's ("ANDP") working capital needs related to your work in acquiring and redeveloping foreclosed homes. As you know, The Housing Partnership Fund and Mercy Loan Fund (collectively, "we" or "lenders") have developed lending products specific to the needs of nonprofit organizations who are engaged in REO acquisition as a means of stabilizing neighborhoods facing high concentrations of vacant and abandoned property. We have each previously closed, or are in the process of closing, property-secured facilities to directly finance acquisitions by ANDP. In this case, we understand your need for working capital financing to bridge a need created by anticipated delays in receipt of Neighborhood Stabilization Program (NSP) funds on approved properties from local government administrators.

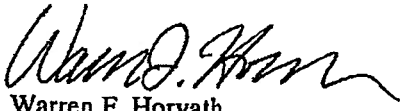
We have reviewed carefully your submission and discussed it with your staff, and are pleased to tell you that we expect to support your loan request in the amount of \$2 million. We are jointly structuring a working capital facility which will provide financing to be secured by an assignment of NSP funds receivable. We expect it to be used in localities where you have been committed an allocation of NSP funds and adequate procedures are in place with the local government for us to be able to perfect such a pledge.

I have attached a term sheet for your review.

Consummation of the loan under these or substantially similar terms is subject to completion of underwriting and approval by our loan committees, so this letter does not constitute a commitment. We nevertheless expect to move toward such a commitment in the near future.

Sincerely,


W. Matthew Perrenod
Chief Lending Officer
Housing Partnership Fund


Warren F. Horvath
President
Mercy Loan Fund

EXECUTED COPY
MAILED OVERNIGHT 12/22/08



Housing Partnership Fund

An Affiliate of the Housing Partnership Network

December 2, 2008

Ms. Tayani Suma
Housing Development Director
Atlanta Neighborhood Development Partnership
235 Peachtree Street, N.E.
Suite 2000 - 20th Floor
Atlanta, GA 30303

Re: Senior Revolving Line of Credit

Dear Ms. Suma:

The Housing Partnership Fund, Inc. (the "Lender") has approved your application for a Senior Revolving Line of Credit to finance the acquisition and moderate rehabilitation costs of single family REO properties in selected neighborhoods of Atlanta, Georgia (a "Site" or "Sites"). Such Sites are to be acquired by a to-be-formed single member LLC (the "Borrower") of which Atlanta Neighborhood Development Partnership ("ANDP") will be the sole member. This commitment is subject to and conditioned upon satisfaction of the following terms.

Summary of terms & conditions:

Lender is prepared to make loans (a "Loan" or "Loans") under a Senior Revolving Line of Credit (the "Facility") up to an aggregate principal amount of One Million Dollars (\$1,000,000) (the "Facility Amount") on a revolving basis to the Borrower, subject to the terms and conditions set forth herein. The Facility will be evidenced by a Loan Agreement and one or more promissory notes (a "Note" or the "Notes"), each with full recourse to the Borrower. A Loan will be made in connection with each Site, and each Loan will be evidenced by a separate Note.

Purpose/Limitations on Use of Funds:

The purpose of the Facility is to make funds available for the acquisition and moderate rehabilitation costs of single family homes in Atlanta, Georgia. The Sites will be acquired by the Borrower as part of a pilot program to acquire foreclosed properties and make them available either to qualified homebuyers either through direct sale or through a Fannie Mae-backed lease-purchase program sponsored by Self-Help. The acquisition and development of each Site will be referred to as a Project.

Cross-default

A default under one Loan shall constitute a default under all other Loans under the Facility.

Fees/Expenses:

An origination fee equal to \$10,000 (one percent of the Facility Amount) is due upon acceptance of this commitment letter and payable at closing. A \$500 non-refundable application fee is now due and payable, and will be applied as a credit against the origination fee. A \$500 draw fee will be due for the first disbursement under each Loan (other than the first disbursement under the Facility). For subsequent (post-acquisition) disbursements, a draw fee will be calculated as follows: A base fee of \$250 will be due for each monthly draw request, with an additional \$250 for each Loan represented in the draw request. Beginning on the date that is nine months after the origination date of the Facility, a non-use fee will be applied to the unused portion of the Facility Amount at an annualized rate of .25%. The non-use fee will be payable on the first day of the following month and each month thereafter. If the Lender grants an extension of the expiration of the Facility, an extension fee of \$2,500 (.25% of the Facility Amount) shall be due upon each one-year extension. If the Lender grants a six-month extension of the maturity of a Loan, an extension fee of .5% of the principal amount of the Loan shall be due. The Borrower shall pay all legal expenses in connection with the closing of the Facility, regardless of whether the Facility closes, and during the life of the Facility (and of any loans made thereunder), as provided in the Loan Documents.

Execution of Loan Documents:

The Borrower shall have executed and delivered to Lender all documents described in Exhibit A as Borrower's responsibility, and any other documents, instruments, forms of evidence or other materials requested in good faith by Lender after review of the due diligence materials and consistent with the terms of this Commitment or any of the Loan Documents. The documents in Exhibit A must be delivered no later than two business day prior to the closing date of the Facility. All documents must be in form acceptable to Lender.

In connection with the closing of each Loan under the Facility, the Borrower shall have executed and delivered to Lender all documents requested by Lender. Such documents may include, but are not limited to, those listed on Exhibits B attached hereto. All documents must be in form acceptable to Lender.

Affordability Covenant:

All Projects are to meet the affordability requirements of the HUD Neighborhood Stabilization Program.

Financial Covenants:

Guarantor (both on a standalone and consolidated basis) shall maintain a current ratio of 1.2 or higher at all times during the life of the Facility (or any loan thereunder). In addition, Guarantor (both on a standalone and consolidated basis) shall maintain unrestricted cash balances sufficient to cover at least three months of expenses.

Reporting:

During the life of the Facility, Borrower and Guarantor shall provide, at Lender's request, copies of any books and records applicable to or part of the Projects and related property. The Borrower and Guarantor shall provide financial statements and other documents requested by Lender, or as required in the Loan Documents, which statements shall be prepared in accordance with generally accepted accounting principles.

Governing Law:

The Loan Documents shall be governed by Massachusetts law.

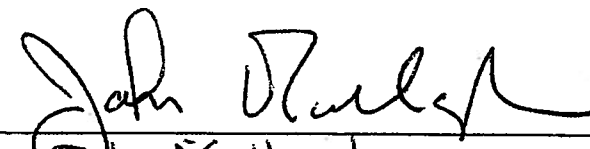
If you agree to the terms of this commitment letter, please sign below and return the original commitment letter to me within thirty (30) days from this date; otherwise this commitment shall not be deemed valid and effective. Closing of the Facility must occur within sixty (60) days of this date; otherwise this commitment shall not be deemed valid and effective.

Sincerely,



Kathleen Farrell
Vice President of Finance
The Housing Partnership Network

Accepted by:


Name: John O'Callaghan
Title: President & CEO

Date:

12-22-2008

EXHIBIT B

CLOSING CHECKLIST

\$ _____ Loan
under
Senior Revolving Line of Credit
from The Housing Partnership Fund, Inc.
to [TBA] dated _____, 2008
for _____ (the "Project")
Loan Closing Date: _____, 2008

I. <u>RESPONSIBLE PARTIES</u> (details appended to the end of Index)	
BORROWER	to-be-formed LLC
GUARANTOR	Atlanta Neighborhood Development Partnership ("WHDC")
BORROWER COUNSEL	
LENDER	The Housing Partnership Fund, Inc. ("HPF")
LENDER COUNSEL	Sheehan, Phinney, Bass and Green ("SPBG")

Document	Responsible Party	Status
LOAN Documents		
Project Commitment	LENDER	
Loan Agreement	LENDER	See Facility Loan Agmt
Promissory Note	LENDER	
AUTHORITY Documents		
* Certificate of Secretary of Borrower as to and attaching (a) incumbency, (b) authority, and (c) confirmation that articles of organization and operating agreement have not changed	BORROWER	<i>not a new resolution is Secy to certify that they has the authority to do this mat will check</i>
Certificate of Legal Existence and Good Standing, dated within 30 days of closing	BORROWER	

PROJECT ITEMS (FOR LOAN APPROVAL)		
Narrative summary of Project	BORROWER	
Copy of signed offer <i>if applicable</i>	BORROWER	
Inspection report	BORROWER	
Photographs of Site	BORROWER	

GUARANTOR ("ANDP")	Atlanta Neighborhood Development Partnership, Inc. 235 Peachtree Street, N.E. Suite 2000 – 20 th Floor Atlanta, GA 30303 Tayani Suma, Housing Development Director E-mail: tsuma@andpi.org Tel: (404) 420-1607 Fax: (404) 788-1565
III. <u>COUNSEL</u>	
LENDER COUNSEL: ("SPBG")	Sheehan, Phinney, Bass and Green One Boston Place 38th Floor Boston, MA 02108 Bruce Bagdasarian E-mail: bbagdasarian@sheehan.com Tel: (617) 897-5645 Fax: (617) 894-2332
BORROWER COUNSEL	<i>Need to complete.</i>

LOAN AND SECURITY AGREEMENT

(Senior Revolving Facility for Real Estate Owned Acquisition and Rehabilitation)

THIS LOAN AGREEMENT (this "Agreement") is made this 10th day of February, 2009 by and between THE HOUSING PARTNERSHIP FUND, INC., a Massachusetts not-for-profit corporation, having its principal place of business at 160 State Street, 5th Floor, Boston, Massachusetts 02109 (the "Lender"), and ANDP RESTORATION, LLC, a limited liability company organized under the laws of Georgia (the "State"), having its principal place of business at 235 Peachtree Street, Suite 2000, 20th Floor, Atlanta, Georgia 30303 (the "Borrower").

A. The Borrower desires to participate in the Foreclosure Redevelopment Program, a program of its sole member, Atlanta Neighborhood Development Partnership, Inc. ("ANDP"), to develop and/or preserve affordable ownership housing in Atlanta, Georgia (the "Project Area"). Borrower intends to purchase and rehabilitate foreclosed single family homes and make them available to qualified homebuyers ("Qualified Buyers") either through direct sale or through a lease-purchase program whereby a tenant would lease a home and eventually purchase it. Under such lease-purchase program, an affiliate of Borrower would purchase the applicable home from Borrower, financing such purchase through a lease-purchase mortgage utilizing a Fannie Mae lease-purchase product ("Lease-Purchase Loan" or "Lease-Purchase Loans"). The proceeds of such Lease-Purchase Loan would be used to take out the Loan made under the Facility (as such terms are defined below) for the acquisition and rehabilitation of such home. ANDP is in the process of negotiating a lease-purchase program participation agreement with Self-Help Ventures Fund ("Self-Help", the "Self-Help Participation Agreement"), under which Self-Help would provide a secondary market for Lease-Purchase Loans (the "Self-Help Program"). Qualified Buyers are those who meet the income requirements and other qualifications under the subsidy program(s) providing funds to subsidize the purchase of the applicable home. Borrower anticipates that the HUD Neighborhood Stabilization Program will be one such subsidy program.

B. The Borrower desires to borrow up to One Million Dollars (\$1,000,000) (the "Maximum Loan Amount") on a revolving basis to finance the purchase and moderate rehabilitation costs of certain single family homes (each a "Site," collectively the "Sites") in the Project Area, to be sold to certain families that meet the criteria set forth above. The development projects associated with the Sites are hereinafter referred to as "Projects" (each a "Project"). The expenses related to the Projects are "Project Expenses", and expenses related to one Project are a "Project Expense".

C. The Lender is willing to make loans to the Borrower (each a "Loan," collectively the "Loans") on a revolving basis on the terms and conditions set forth below. This arrangement to make loans shall be referred to herein as the "Facility." Each advance under a Loan shall be hereunder referred to as a "Loan Disbursement." Each Loan shall be for a specific Project.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower and the Lender agree as follows:

TERMS OF FACILITY

1. Revolving Facility.

1.1. Upon and subject to the terms and conditions hereinafter set forth, the Lender agrees to make Loans, evidenced by separate promissory notes (each a "Note"), to the Borrower, on a revolving basis, up to the Maximum Loan Amount, in aggregate, the proceeds of which shall be disbursed to, or on behalf of, the Borrower from time to time as provided in Section 2 below. Accordingly, Borrower may borrow, repay and reborrow hereunder, provided however, the revolving nature of this Facility shall not apply to any individual Loan or Loans related to a Project. As the principal amount of a Loan is paid down, Borrower may not reborrow thereunder but the amount available under the Facility for other new Loans shall increase accordingly.

1.2. The Facility shall be for a term commencing on the date hereof and ending on January __, 2012 (the "Facility Maturity Date"). At Borrower's request, prior to the Facility Maturity Date, or any extension thereof, subject to the sole discretion of Lender, the Facility may be extended for a term of twelve (12) months. If Lender agrees to an extension, a fee of \$2,500 shall be due and payable to Lender prior to an extension becoming effective. Each Loan shall have a maturity date as determined in good faith by Lender at the time of the making of the Loan, based on the requirements of each Project and the anticipated date of Take Out Financing (as hereinafter defined) for the Project. The term of a Loan may be up to twelve (12) months and a Loan can mature before or after the Facility Maturity Date. At Borrower's request, prior to the maturity date of any Loan, or an extension thereof, subject to the sole discretion of Lender, such Loan may be extended for a term of up to six months. Notwithstanding the foregoing, no Loan shall have an extended maturity date that is more than twelve months after the initial maturity date of the Loan. If Lender agrees to an extension, a fee of .5% of the maximum amount of such Loan shall be due and payable to Lender prior to an extension becoming effective.

1.3. Each Loan shall be evidenced by and repaid in accordance with, a promissory note (individually a "Note," collectively, the "Notes") in the form attached hereto as Exhibit A. The term of each Note shall match the term of the applicable Loan. This Agreement, the Notes, and the other documents executed and delivered to Lender in connection therewith shall hereinafter be referred to as the "Loan Documents."

1.4. The Borrower will pay to Lender on this date a non-refundable \$500.00 application fee which fee is will be deemed earned and shall be applied at Closing to the origination fee described in Section 1.5.

1.5. The Borrower shall pay at Closing an origination fee to the Lender in the amount of Ten Thousand Dollars (\$10,000.00).

1.6. The Borrower shall reimburse the Lender for reasonable attorneys' fees actually incurred in connection with the closing of the Facility as well as with subsequent activity including Loan Disbursements.

1.7. Unless Lender is notified in writing sixty (60) days prior to the nine month anniversary of the date hereof to reduce the Maximum Loan Amount to an amount equal to the outstanding principal balance under the Facility, a non-utilization fee will be assessed as follows. Commencing on the first day of the month following the 9 month anniversary date hereof and continuing on the first day of each month thereafter, Borrower shall pay a non-utilization fee at the rate of .25% per annum on the amount, if any, by which the amount of the Maximum Loan amount exceeds the outstanding principal due under the Facility.

1.8 The Facility may be terminated and the Loans may be accelerated, at the option of the Lender, following an Event of Default. Upon such acceleration, all principal, accrued interest and costs and expenses shall be due and payable together with interest on such principal at the Default Rate. The "Default Rate" shall be the rate per annum equal to eighteen (18%) percent, or if such increased rate of interest may not be collected under applicable law, then at the maximum rate of interest, if any, which may be collected by the Lender under applicable law.

1.9 The Facility shall be secured by:

(i) a first priority Pledge Agreement covering 100% of the ownership interests in Borrower (the "Ownership Interests"), to be given by Atlanta Neighborhood Development Partnership, Inc., the sole member of Borrower, to Lender.

(ii) A first priority security interest, granted hereunder, covering all of the personal property owned by Borrower (Personal Property").

(iii) An Environmental Indemnity covering all Sites to be acquired.

1.10 Lender shall also receive a full recourse guaranty from Atlanta Neighborhood Development Partnership, Inc. ("Guarantor"), the direct owner of Borrower.

1.11 A \$500 draw fee shall be payable by Borrower to Lender for the first disbursement under each Loan, other than the first disbursement under the Facility. For each subsequent draw ("Subsequent Draw", "Subsequent Draws") under a Loan, Borrower shall pay Lender a draw fee of \$500. Notwithstanding the foregoing, to the extent Subsequent Draws are submitted together for more than one Loan, the draw fee shall consist of a base draw fee of \$250 for the submission, plus a draw fee of \$250 per Loan included in the submission.

2. Grant of Security Interest. In consideration of Lender extending credit and other financial accommodations to or for the benefit of the Borrower, the Borrower hereby grants to Lender a security interest in, a lien on and pledge and assignment of the Collateral (as hereinafter

defined). The security interest granted by this Agreement is given to and shall be held by Lender as security for the payment and performance of all Obligations (as defined below), including, without limitation, all amounts outstanding pursuant to the Loan Documents.

Definitions. The following definitions shall apply:

- (a) "Code" shall mean the Uniform Commercial Code as in effect in the State of Georgia, as amended from time to time.
- (b) "Collateral" shall mean all of the Borrower's present and future right, title and interest in and to any and all of the following personal property of the Borrower whether such property is now existing or hereafter created, acquired or arising and wherever located from time to time, including without limitation:
 - (i) accounts;
 - (ii) chattel paper;
 - (iii) goods;
 - (iv) inventory;
 - (v) equipment;
 - (vi) instruments;
 - (vii) investment property;
 - (viii) documents;
 - (ix) commercial tort claims;
 - (x) deposit accounts;
 - (xi) letter-of-credit rights;
 - (xii) general intangibles;
 - (xiii) supporting obligations;
 - (xiv) All proceeds of collateral of every kind and nature in whatever form, including, without limitation, both cash and noncash proceeds resulting or arising from the sale or other disposition by the Borrower of the collateral; and
 - (xv) All products of and accessions to any of the collateral.
- (c) "Obligations" shall mean all indebtedness and liabilities of Borrower to Lender including but not limited to all amounts due Lender under the Notes, this Agreement and any other Loan Documents.

3. Conditions To Close Facility. Except as otherwise provided herein, the obligation of Lender to close this Facility (the date on which this Agreement has been executed and delivered by both parties is referred to herein as the "Closing") shall be subject to the satisfaction, at or before the Closing, of the following conditions precedent:

3.1 The representations and warranties made herein shall be true and correct on and as of the applicable date with the same effect as if made on such date, and the Lender shall have received such assurances in this respect as Lender may reasonably require.

3.2 The Borrower shall have performed and complied with all terms and conditions of this Agreement and any other agreements regarding the Loan required to be performed or complied with by the Borrower and there shall exist no Event of Default (as hereinafter defined) or condition which might, with or without the passage of time or the giving of notice or both, result in an Event of Default by Borrower.

3.3 The Borrower shall have delivered to the Lender each of the documents and other items requested by Lender, each in form and content satisfactory to Lender and duly executed, where applicable. Such documents may include, but are not limited to, those listed on Exhibit B attached hereto.

4. Conditions To Approve Loans. Except as otherwise provided herein, the obligation of Lender to approve a Loan shall be subject to the satisfaction of the following conditions precedent:

4.1. The conditions set forth in Sections 3.1 and 3.2 shall be satisfied at the time of such approval.

4.2. Borrower shall have delivered to Lender a complete property document package consisting of: (a) a narrative summary of the Project, (b) a copy of the signed offer (if available), (c) an inspection report, internally or externally prepared by parties acceptable to Lender, (d) photographs of the Site, (e) a project budget (including acquisition and development costs), which includes a schedule of acquisition/development sources and uses (the "Project Budget"), (f) a timeline for development of the Project and repayment of the Loan, (g) a construction draw schedule, (h) a schedule of takeout financing sources, and (i) an "as completed" appraisal of the Site, all in form and substance acceptable to Lender in its reasonable discretion, (the "Loan Approval Documents").

4.3. Lender shall have determined that the principal amount of the applicable Loan shall not exceed the amount of the applicable Project Budget (including acquisition and development costs) minus the Required Borrower Equity, as defined in Section 5.2 below.

4.4. Notwithstanding the foregoing, Lender shall not be obligated to approve any Loan. Borrower recognizes that Lender has not been provided with any underwriting information about any future Loans and the Projects they relate to, so Lender cannot commit itself to any Loan at this time. Nevertheless, Lender agrees to act in good faith in connection with review of requests for Loans under this Facility. Lender agrees to review the Loan

Approval Documents and either approve the Loan, deny approval of the Loan (stating the reasons therefore) or request additional information within five (5) business days of receipt of the complete loan approval package. To the extent additional information is requested and received, Lender shall promptly review such information and approve or disapprove the Loan.

4.5 Notwithstanding the foregoing, until such time as Borrower executes the Self-Help Participation Agreement, reasonably satisfactory to both Lender and Borrower, Borrower may enter into no more than two Loans under the Facility and receive no more than \$200,000 in Disbursements in the aggregate under the Facility. After Borrower executes the Self-Help Participation Agreement and until such time as at least one Loan has been repaid from the proceeds of a Lease-Purchase Loan through the Self-Help Program, Borrower may enter into additional Loans under the Facility, but will be limited to eight (8) Loans outstanding at one time, with principal outstanding under the Facility not to exceed \$600,000. After Borrower executes the Self-Help Participation Agreement and at least one Loan has been repaid from the proceeds of a Lease-Purchase Loan through the Self-Help Program, these limits will increase to fourteen (14) Loans outstanding at one time, with up to \$1 million in principal outstanding.

5. Loan Disbursements.

5.1 With respect to Loans approved by Lender under this Facility ("each an "Approved Loan;" collectively, the "Approved Loans"), Loan Disbursements shall be made, subject to the terms set forth below, pursuant to the Borrower's written request therefore, in form acceptable to Lender, (hereinafter referred to as a "Request for Disbursement") received by the Lender at least five (5) business days prior to the date on which such Loan Disbursement is requested.

5.2. Upon Borrower's disbursement request as set forth above, Lender shall advance acquisition, pre-acquisition and closing costs for a Project, minus the required amount of Borrower's equity as set forth below, provided that (i) the request is consistent with the representations regarding acquisition, closing, construction and soft costs and set forth in the Loan Approval Documents, (ii) no default has occurred and continues under any of the Loan Documents, (iii) Borrower has advanced (or escrowed with the applicable escrow agent, under terms satisfactory to Lender) the required amount of equity (v) Borrower has delivered to Lender the executed Note in form acceptable to Lender, (vi) Borrower has delivered to Lender evidence of authority for such borrowing in form acceptable to Lender, (vii) Borrower has delivered to the Lender each of the documents and other items requested by Lender, each in form and content satisfactory to Lender and duly executed, where applicable (such documents may include, but are not limited to, those listed on Exhibit C attached hereto); and (viii) Borrower has delivered to Lender a valid and unconditional permit, if required, for such Project. At the time of acquisition of a Project, Borrower shall provide evidence to Lender that Borrower has invested as equity the greater of (i) the lesser of (a) 15% of the Project Budget and (b) the Project Budget minus eighty percent (80%) of the appraised value of the subject property (using an "as completed" appraisal acceptable to Lender its sole discretion), (iii) \$20,000 and (iii) the difference between the amount of the Project Budget and the amount of financing available, in Lenders judgement, to take out the Loan (the "Required Borrower Equity").

5.3 With respect to advances of Loan proceeds for construction costs and soft costs (other than construction and soft costs funded in the first advance to Borrower per Section 5.2 above), Lender shall, subject to the requisition procedure set forth above, advance the construction and soft costs for such Project, provided that (i) the request is consistent with the Loan Approval Documents, (ii) the construction work related to such requisition for such Project has been completed, as certified by Borrower (iii) Borrower has delivered to Lender a copy of the applicable invoice or requisition, and lien waiver from the general contractor, reflecting that upon receipt of payment set forth in such lien waiver, such contractor shall be paid in full for work completed through the date referenced in the lien waiver (iv) no default has occurred and continues under any of the Loan Documents, (v) Borrower shall be limited to one draw per month under a Loan, and (vi) in the event there are requests for disbursement on more than one Loan, Borrower shall consolidate such requests into one monthly submission to Lender.

5.4 Notwithstanding the foregoing, if Lender determines, through a third-party inspector or through other means, that there are insufficient funds to complete the Project, Borrower shall, upon Lender's request, deposit with Lender the shortfall, which proceeds shall be disbursed prior to the disbursement by Lender of any additional Loan proceeds. Alternatively, Lender may elect to require Borrower to expend such funds toward Project Expenses before Lender disburses any additional Loan proceeds. Lender shall not be required to advance any funds under the Loan until Borrower complies with the above terms.

5.5 Notwithstanding the foregoing, upon completion of a Project, Lender shall, subject to the requisition procedure set forth above, advance the construction and soft costs for such Project, provided that (i) Lender has determined through a third-party inspector engaged by Lender (the "Inspector") or by other means that appropriate building permits have been obtained, the work has been completed in a satisfactory manner, appropriate lien waivers, if required by Lender, have been obtained, and if appropriate, a valid and unconditional certificate of occupancy has been obtained for such Project (ii) the request is consistent with the Loan Approval Documents, and (iii) no default has occurred.

5.6 Borrower consents to Lender delivering a copy of the Loan Approval Documents (and any other Project related information) to the Inspector for review. Borrower shall cooperate with the Inspector in arranging for the Inspector to obtain access to the applicable Project in connection with inspections for construction work completed for such Project, and shall deliver to the Inspector all invoices and other materials relevant to a Project, as requested by the Inspector. Borrower shall bear the cost of all such inspections. Although the above provisions permit Lender to have a Project inspected upon its completion, Lender may, after the occurrence of a default hereunder, cause the Project to be Inspected periodically prior to completion as well as at completion, with Borrower to bear the cost of all inspections.

5.7 The Lender shall have the right to approve or disapprove, in its reasonable discretion, each request for a Loan Disbursement under any Approved Loan. The Borrower hereby expressly acknowledges that the Lender has no obligation whatsoever to make any Loan Disbursement to, or on behalf of, the Borrower and that Borrower has no entitlement or right whatsoever to receive any Loan Disbursements unless and until such Loan Disbursement has

been approved by the Lender in writing. Borrower further acknowledges that the Lender shall in no event make any Loan Disbursement unless and until the Lender shall have determined, in its reasonable discretion, that: (a) the Loan Disbursement will fund a Project Expense approved by the Lender in an amount substantially in accordance with the Project Budget delivered to Lender by Borrower and approved by Lender ("Approved Project Expenses") which Project Expenses shall not include expenses such as staff and overhead or development activities on projects other than the applicable Project; (b) as of the date of the Loan Disbursement, the applicable Project is reasonably feasible; (c) the Borrower is making adequate progress in planning or developing the applicable Project; (d) Borrower has performed or satisfied, to the Lender's satisfaction, all general, special and/or additional conditions, reasonably required by Lender, as set forth in any letter from the Lender to the Borrower; (e) the amount of the requested Loan Disbursement, when added to the sum of the amount of all prior Loan Disbursements to, or on behalf of, the Borrower, shall not exceed the amount of the Loan allocated to the Project by Lender as evidenced by the applicable Note; and (f) there has occurred no Event of Default which remains uncured as of the date of the requested Loan Disbursement. The Lender may require, when a Request for Disbursement has not been made within a sixty (60) day period, that the Borrower provide to the Lender a brief accounting of funds spent and a description of the status of the applicable Project.

5.8 The making of a Loan Disbursement or any part of a Loan Disbursement shall not be deemed an approval by the Lender of the costs incurred by or on behalf of the Borrower. The Borrower shall furnish evidence satisfactory to the Lender, by receipts or otherwise, that the costs in question have been incurred, before each or any Loan Disbursement shall be made herewith.

5.9 The Lender may make Loan Disbursements in respect of Approved Project Expenses before they become due if, in the sole judgment of the Lender exercised in good faith, it is advisable to do so, and all such Loan Disbursements shall be deemed to have been made pursuant to this Agreement and not in modification hereof.

5.10 All Loan Disbursements shall be made by wire transfer to a bank account designated in writing by Borrower.

6. Payments.

6.1 All payments of principal and interest with respect to the Loan shall be made to the Lender at its address hereinafter set forth in lawful money of the United States of America, in immediately available funds, pursuant to the terms of the Notes. Interest and other charges per annum shall be calculated on the basis of actual days elapsed and a year of 360 days.

6.2 Whenever any payment to be made hereunder or under any instrument delivered hereunder shall be stated to be due, or whenever the last day of any period would otherwise occur, on a day other than a Business Day (as hereinafter defined), such payment shall be made, and the last day of such period shall occur, on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest. The term "Business Day" means any day other than a day on which banking institutions in Boston, Massachusetts are authorized or obligated to close.

7. Affirmative and Negative Covenants. The Borrower covenants and agrees that, until payment in full of the outstanding principal of the Loans and all interest due with respect thereto and of all other obligations of the Borrower to the Lender, the Borrower will:

7.1 Use the proceeds of the Loan solely to pay Approved Project Expenses, and not change the Project Budget without the prior written consent of Lender, which consent will not be unreasonably withheld provided that Borrower expends the additional equity required (provided that it does not cause a default under Section 7.4 hereunder) before requesting additional Loan Proceeds.

7.2 Comply with and cause the Projects and the development of the Projects to comply in all material respects with all applicable statutes, laws regulations, by-laws, ordinances or orders of governmental or quasi-governmental authority with respect to building, zoning, fire-rating requirements, handicapped access, health, sanitation, subdivision control, environmental protection or other land use matters, including, without limiting the generality of the foregoing, the applicable zoning ordinance, by-laws or codes, and the building code of the State of Georgia;

7.3 Furnish to the Lender the following financial statements:

- (a) within 120 days after end of each fiscal year of the Borrower, audited financial statements of the Borrower for such fiscal year;
- (b) within 120 days after end of each fiscal year of the Guarantor(s), audited financial statements of the Guarantor for such fiscal year.;
- (c) within 30 days after the end of each calendar quarter and 60 days after the end of each fiscal year, unaudited statements of revenue and expenses of the Borrower for such period and an unaudited balance sheet as of the last day of such quarter and the certificate of the chief financial officer of the Borrower that such statements and balance sheets were prepared in accordance with generally accepted accounting principles consistently applied;
- (d) within 30 days after the end of each calendar quarter and 60 days after the end of each fiscal year, unaudited statements of revenue and expenses of the Guarantor, for such period and an unaudited balance sheet as of the last day of such quarter and the certificate of the chief financial officer of the Guarantor(s) that such statements and balance sheets were prepared in accordance with generally accepted accounting principles consistently applied.;
- (e) not less than 30 days prior to each fiscal year, an annual operating budget for the Borrower;
- (f) not less than 30 days prior to each fiscal year, an annual operating budget for the Guarantor;

- (g) within 30 days after the end of each calendar quarter, a certificate of the chief financial officer of the Guarantor confirming compliance with the financial covenants set forth in Section 7.4 below and stating the actual versus the required financial data.
- (h) Within 30 days after the end of each calendar quarter, a quarterly progress report for each Project including information as to (i) the development of the Project, (ii) marketing and sales, (iii) progress towards refinancing the Project under the Self-Help Program, and (iv) progress towards obtaining other financing and subsidies anticipated to repay Lender.

7.4 Comply with the following financial covenants:

7.4.1 The ratio of Current Assets to Current Liabilities of the Guarantor (both on a standalone and consolidated basis) shall not be less than 1.2 to 1.0; "Current Assets" shall be defined as cash, prepaid expenses, receivables that management reasonably expects to collect within one year, and other assets that could in the ordinary course of business be converted to cash within one year, and "Current Liabilities" shall be defined as all liabilities that will become due and payable or, under circumstances then existing, could be called for payment within one year.

7.4.2 The aggregate unrestricted cash (including cash equivalents) of the Guarantor (both on a standalone and consolidated basis) shall not be less than the sum of all payments required to be made in respect to the Guarantor's operations for the three month period immediately following the time of calculation of this covenant.

7.5 Furnish promptly from time to time such other information regarding the operations, assets, affairs and financial condition of the Borrower, the Guarantor(s) and the Projects for which proceeds have been advanced hereunder as the Lender may reasonably request;

7.6 Permit agents or representatives of the Lender to inspect at any time or times upon reasonable notice, during normal business hours, the books and records of the Borrower, Guarantor(s) and the Projects for which proceeds have been advanced hereunder and to make copies or abstracts thereof;

7.7 Promptly advise the Lender of any material adverse change in the condition, financial or otherwise, of the Borrower, Guarantor(s) or any of the Projects for which proceeds have been advanced hereunder or of any Event of Default; and

7.8 Without the prior written approval of the Lender Borrower shall not incur, guaranty or assume any Indebtedness (as defined below) except for (a) the applicable Loan, (b) Indebtedness with respect to or encumbering a Project or Site related to the services which are payable, without interest, under normal trade conditions. For purposes of this Agreement, "Indebtedness" shall mean any item that would properly be included under generally accepted accounting principles consistently applied, applicable to non-profit organizations that use the so-called "fund method" of accounting ("GAAP"), as a liability on the liability side of balance sheet as of any date as of which Guarantor's Indebtedness is to be determined and includes (but is not

limited to) (i) all obligations for borrowed money, (ii) all obligations evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations to pay the deferred purchase price of property or services, (iv) all capital lease obligations and (v) all obligations in respect of advances under letters of credit issued for Borrower's account and in respect of acceptances of drafts drawn by Borrower. Indebtedness includes the applicable Loan. To avoid Borrower incurring additional debt in connection with a refinance of a Project under the Self-Help Program, Borrower shall transfer ownership of such Project to another entity in connection with such refinance.

7.9 Cooperate with the Lender and execute such further instruments and documents, and take such further action, as the Lender shall reasonably request from time to time to give effect to this Agreement and to carry out to the Lender's satisfaction the transactions contemplated hereby.

7.10 Borrower shall diligently (i) pursue Qualified Buyers to purchase the respective properties or (ii) pursue refinancing of Projects to provide the "Take Out Financing" to repay the Loan. Take Out Financing for the applicable Project will include, but not limited to, a first mortgage loan and subsidies that generate adequate funds to pay off the Loan for the applicable Project.

7.11 Without the consent of Lender, there shall not occur a Change in Management or a Materially Adverse Financial Change. "Change in Management" shall mean a change in any one of the following management positions at Guarantor: President and CEO; Senior Director for Housing Finance and Administration; and Director of Housing Development. Materially Adverse Financial Change shall mean a materially adverse change in the financial condition of Borrower or Guarantor, as determined by Lender in its reasonable discretion. Upon the occurrence of a Change in Management, Guarantor shall fill the vacant position(s) with a person or persons acceptable to Lender in its reasonable discretion. While Guarantor shall have six (6) months to fill such position(s) with persons reasonably acceptable to Lender, if Guarantor has not filled such position(s) within thirty (30) days after the occurrence of such vacancy, Guarantor shall fill such position(s) on an interim basis within such 30 days period with a person or persons reasonably acceptable to Lender.

7.12 Without the consent of Lender, there shall not occur any change in the direct or indirect ownership interests in the Borrower. Guarantor shall be the sole owner of Borrower as of the Closing. In addition, except in connection with a sale of a Site where Lender is paid in full on the applicable Loan made for such site, no direct or indirect ownership interest in any Site shall be transferred.

7.13. Without the consent of Lender, Borrower shall not enter into any lease or occupancy agreement with respect to any Site or permit or suffer any lien or encumbrance on any Site other than liens for real estate taxes not yet due and payable. Consent of Lender to a lease-purchase agreement (a lease agreement with an option to purchase) with respect to a Site shall not be unreasonably withheld providing Borrower has provided Lender with satisfactory evidence that such agreement conforms with the requirements to qualify for a Lease-Purchase Loan under the Self-Help Program.

7.14. Borrower shall keep and maintain the Sites and its other properties, if any, in good working order and condition. Borrower shall immediately notify the Lender of any material damage to any of the Sites or of any taking by a governmental authority, regardless of whether such damage is insured against (in the case of casualty). The proceeds of any casualty or rent loss insurance and the award of damages in the case of any condemnation, shall be paid to Lender to be applied to the Facility. Notwithstanding the foregoing, Lender may in its sole discretion, permit Borrower to use all or a portion of such proceeds or awards for restoration of the Sites affected, subject to conditions as Lender may require.

8. Representations and Warranties and Additional Covenants. The Borrower represents and warrants to the Lender that the following are true on the date hereof, and covenants with the Lender that the following shall be true as of the date of each Loan Disbursement hereunder and so long as any amount is owed to the Lender by the Borrower with respect to the Loan or otherwise:

8.1. The Borrower and Guarantor are duly incorporated, validly existing and in good standing under the laws of the State, and neither Borrower nor Guarantor shall change its name, dissolve or enter into a merger with another entity;

8.2 The Guarantor is a current member in good standing of The Housing Partnership Network, Inc.;

8.3 The Guarantor has received a federal tax exemption from the Internal Revenue Service under Section 501(c)(3) of the Internal Revenue Code;

8.4 With respect to each Loan, the applicable Project to be financed in part with funds to be drawn under a Loan is financially feasible; the Borrower's estimate of development costs and projected funding sources represented to Lender by Borrower are reasonable and based upon reasonable assumptions; and the materials delivered by Borrower to Lender accurately set forth in all material respects the Borrower's best estimate of the Project's current predevelopment or acquisition expenses, and the source or sources of Take Out Financing that will be available to take out and pay off the applicable Loan;

8.5 The Borrower has the corporate power to enter into, execute and deliver, and perform its obligations under, this Agreement and the Loan Documents and the execution and delivery, and performance of its obligation under, this Agreement, the Note, and the other Loan Documents have been duly authorized by all requisite corporate action of the Borrower;

8.6 This Agreement and the other Loan Documents constitute the valid and legally binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms;

8.7 The execution, delivery and performance of this Agreement and the other Loan Documents do not violate any law, statute, rule, regulation, judgment, decree, order or other legal restriction of any court or other agency of government, or of the Articles of Incorporation or By-Laws of the Borrower, or of any instrument to which the Borrower is a party or by which it or any of its properties is bound, and, with or without the passage of time or the giving of notice or both, will not result in any default under any such instrument;

8.8 There are no actions, suits or proceedings, at law, in equity or otherwise, before or by any court, administrative agency or tribunal, now pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower or Guarantor or any of its properties or rights (including the Projects);

8.9 No Event of Default exists at the time of the execution of this Agreement;

8.10 The Borrower is not in violation of any provision of its Articles of Incorporation or By-Laws or of any agreement or other instrument by which it is bound;

8.11 All information previously or hereafter furnished to the Lender in connection with or related to the subject matter of this Agreement (including, without limitation, all financial data) is accurate and complete in all material respects and does not omit to state any fact necessary to make the statements made not misleading;

8.12 The Borrower intends to apply for a federal or state or local subsidy for each Project, and represents that it shall comply with any use and affordability restrictions applicable to the applicable property under the use agreement governing any such subsidy.

8.13 All tax returns required to be filed by the Borrower in any jurisdiction have in fact been filed, and all taxes, assessments, fees and other governmental charges upon the Borrower or upon any of its assets, income or franchises, which are due and payable, have been paid. Borrower shall pay all real estate and other taxes when due and payable.

8.14 The Borrower has or will have in full force and effect a policy of Casualty (if applicable) and Commercial Liability Insurance which shall include bodily injury, property damage and personal injury with respect to the Projects, in such amounts and with such insurers as are acceptable to Lender.

8.15 Upon the Lender's request, the Borrower shall erect and maintain at the applicable Project, at a location selected by the Borrower with the Lender's consent a sign indicating that financing is being provided by the Lender, all to the reasonable satisfaction of the Lender.

8.16 Borrower shall comply with all federal, state and municipal fair housing laws in the sale or rental (if permitted by Lender) of Sites.

9. Events of Default.

9.1 The occurrence of any of the following events shall constitute an "Event of Default" hereunder:

- (a) the Borrower shall fail to make any payment required under this Agreement or any Note promptly within thirty (30) days of being due;
- (b) the Borrower or any Guarantor shall fail duly and punctually to perform or comply with any of its obligations or covenants in this Agreement, any Note, or any other Loan Document, and such failure shall not be corrected within thirty

(30) days after the earlier of Borrower's knowledge thereof or written notice from Lender;

- (c) any representation or warranty made by or on behalf of the Borrower or any Guarantor herein or any statement or representation made in any certificate, report or opinion delivered pursuant thereto proves to have been false, misleading or incorrect in any material respect when, or as of when, made;
- (d) the Borrower or any Guarantor becomes insolvent; fails or ceases to pay its debts as they mature; the Borrower fails to maintain a current ratio at the level described in 7.4.1 above and such failure is not cured within 30 days of Borrower's knowledge thereof or written notice from Lender; fails to maintain unrestricted cash balances at the level described in 7.4.2 above and such failure is not cured within 30 days of Borrower's knowledge thereof or written notice from Lender; makes an assignment, or establish a trust, for the benefit of creditors; files a petition in bankruptcy; is adjudicated insolvent or bankrupt; petitions or applies to any tribunal for the appointment of a liquidator, receiver or the like; or commences any proceeding relating to the Borrower or any Guarantor under any reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction, whether now or hereafter in effect, or there is commenced against the Borrower or any Guarantor any such proceeding which shall not be dismissed within a period of sixty (60) days, or the Borrower or any Guarantor, by any act, indicates its consent to, approval of, or acquiescence in any such proceeding or the appointment of any receiver of, or any trustee for, it or any substantial part of its property, or suffers any such receivership or trusteeship to continue undischarged for a period of sixty (60); or
- (e) any guarantor of the Loans revokes or purports to revoke or disputes its liability under any guaranty of the Loans.
- (f) The occurrence of an Event of Default under any of the loans made by Lender to Borrower or Guarantor or to affiliates or subsidiaries of Borrower or Guarantor.

9.2 If an Event of Default shall occur, the Lender may exercise all or any of the remedies provided in this Agreement, the Notes or the Loan Documents, or provided by law or equity, including, without limitation, the following:

- (a) the Lender may, by written notice to the Borrower, declare all the Notes and/or any and all other indebtedness of the Borrower to the Lender forthwith to be due and payable, whether or not the indebtedness evidenced by the Notes or other indebtedness shall be otherwise due and payable and whether or not the Lender shall have initiated any other action for the enforcement of such Notes, or other indebtedness and whereupon such Notes and/or such other indebtedness shall become due and payable pursuant to the terms thereof, as to principal, interest, and any other amounts payable, without presentment, demand, protest, notice of protest or further notice of any kind, all of which are hereby expressly waived by the

Borrower, anything contained herein or in any note or other evidence of indebtedness to the contrary notwithstanding;

(b) remedy any default by the Borrower hereunder, without waiving such default, and any monies expended in so doing shall be chargeable with interest to the Borrower and added to the obligations secured hereby; and

(c) whether or not acceleration of the maturity of the Loans shall have occurred, the Lender, if owed any amount with respect to the Loans, may proceed to protect and enforce its rights by suit or any other appropriate proceeding, including in appropriate cases, an award of specific performance or other equitable remedy in aid of the exercise of any power granted in or pursuant to this Agreement.

10. Release of Project Note. Upon Borrower's repayment in full of a Loan and termination of any right to further borrow thereunder, Lender shall mark the applicable Note "Paid In Full."

11. Waiver of Defenses. The Borrower and all endorsers, sureties and guarantors of the Loan or the Notes hereby jointly and severally waive presentment, demand for payment, notice of dishonor or default, protest, notice of protest and all other demands and notices in connection with the delivery, acceptance, performance, default, enforcement and endorsement or guarantee of the Loans, the Notes, and other Loan Documents.

12. Indemnity by the Borrower. The Borrower shall indemnify and hold the Lender harmless at all times after the date hereof against and in respect of all costs, expenses, claims, suits, damages, deficiencies, liabilities and losses (including, without limitation, reasonable costs and expenses for legal and accounting services incurred in connection therewith) of any nature suffered, incurred or paid by the Lender which would not have been suffered, incurred or paid if all the representations, warranties, covenants and agreements made by the Borrower in this Agreement or in any other instrument or document furnished to the Lender in connection herewith had been (with respect to representations and warranties) true, complete and correct and had been (with respect to covenants and agreements) performed and fulfilled.

13. Successors. This Agreement shall be binding upon and inure to the benefit of the Lender, the Borrower and their respective legal representatives, successors and assigns. The Borrower shall not transfer or assign any of its rights or obligations hereunder without the prior written consent of the Lender which may be withheld for any reason. The Lender may assign, transfer, sell or otherwise convey in whole or in part, at any time, its rights, duties, title and interest under, in and to the Loan Documents and the Loans, and may pledge, encumber or assign any of the foregoing as collateral.

14. Survival. All covenants, agreements, representations and warranties made herein or in any certificate or other instrument or document delivered pursuant hereto shall continue in full force and effect so long as any amount is owed and unpaid to the Lender by the Borrower hereunder or under the Notes or otherwise.

15. Amendment. This Agreement may not be changed, amended or terminated except by a written instrument signed by both the Borrower and the Lender.

16. Notices and Payment. All notices, communications and payments, required or permitted to be given hereunder shall be sufficiently given if delivered by hand or sent by registered mail, return receipt requested, postage prepaid, duly addressed,

if to the Lender: The Housing Partnership Fund, Inc.
160 State Street, 5th Floor
Boston, MA 02109
Attn: Kathleen Farrell

with a copy to: Sheehan Phinney Bass + Green, P.A.
One Boston Place
Boston, Massachusetts 02108
Attn: Bruce H. Bagdasarian

if to the Borrower: ANDP Restoration, LLC
235 Peachtree Street
Suite 2000, 20th Floor
Atlanta, Georgia 30303
Attn: John O'Callaghan

With a copy to: Jace C. Gatewood, Esq.
Law Offices of Jace C. Gatewood, PC
3330 Cumberland Blvd., Suite 500
Atlanta, Georgia 30339

and shall be deemed given when mailed. Each of the Borrower and the Lender may change its respective address by such notice to the other.

17. Choice of Law. This Agreement shall be governed by, and construed and enforced in accordance with, the substantive laws of Commonwealth of Massachusetts.


18. Entire Agreement; Severability. This Agreement, the Note, and any other instruments or documents executed in connection herewith constitute the entire agreement of the Borrower and the Lender concerning the subject matter hereof and supersede all prior agreements and understanding, whether oral or written, between the Borrower and the Lender with respect to such subject matter; without limiting the generality of the foregoing, this Agreement supersedes and replaces in its entirety any prior loan agreement or agreement for technical assistance and recapture between the Lender and the Borrower with respect to the Site and/or Project. If any portion or provision of this Agreement shall be held invalid (whether on its face or as applied) by any court of competent jurisdiction, the remaining portions and provisions shall continue in effect and shall not be affected thereby.

IN WITNESS WHEREOF, the Borrower and the Lender have caused this Agreement to be duly executed as an instrument under seal by their respective duly authorized officers on the day and year first above written.

ANDP RESTORATION, LLC

Witness

Manager



Name: John O'Callaghan
Title: President & CEO

Witness

Name: Thomas Bledsoe
Title: President

IN WITNESS WHEREOF, the Borrower and the Lender have caused this Agreement to be duly executed as an instrument under seal by their respective duly authorized officers on the day and year first above written.

BORROWER

ANDP RESTORATION, LLC

By: Atlanta Neighborhood Development Partnership, Inc.
Its: Manager

Witness

By: _____

Name:

Title:

THE HOUSING PARTNERSHIP FUND, INC.

Virginia M. M...
Witness

By: _____

Name: Thomas Bledsoe

Title: President



Mercy Housing

Mercy Loan Fund

LETTER OF INTEREST

February 26, 2009

Tayani Suma
Director of Housing Development
Atlanta Neighborhood Development Partnership, Inc.
235 Peachtree Street, NE; North Tower
Suite 2000 - 20th Floor
Atlanta, Georgia 30303-1405

Re: Atlanta Neighborhood Development Partnership, Inc. – Foreclosure Redevelopment Program
Atlanta MSA, Georgia

Dear Ms. Suma:

MERCY LOAN FUND, a Colorado nonprofit corporation, ("MLF"), in response to your recent loan submission, has completed its preliminary review of your funding request. We are pleased to issue this Letter of Interest ("Letter") concerning this request.

This Letter is based solely on the representations made and information supplied by you. Any loan approval by MLF Loan Review Committee will be subject to verification of information during our standard underwriting process. Rates, fees, terms and other conditions of the loan are subject to final approval by the MLF Loan Review Committee. This Letter is not intended to convey or constitute a commitment, promise or offer to lend on the part of MLF. Rather, we wish to convey to you our willingness to further examine all aspects of the proposed transaction based upon the representations you have made and the information with which you have supplied us.

Below is our understanding of the proposed transaction:

BORROWER:	To-be formed LLC, having the Sponsor as its Sole Member
SPONSOR:	Atlanta Neighborhood Development Partnership, Inc. (ANDPI), a Georgia nonprofit corporation
PROGRAM DESCRIPTION:	ANDPI will use the funds of this line of credit to acquire and renovated foreclosed homes in the Atlanta MSA. ANDPI will leverage every dollar of debt with at least one dollar of equity from Neighborhood Stabilization Program (NSP) funds allocated to them.
HOUSEHOLDS SERVED:	All homes will be sold or rented to households earning at or below 120% of the AMI for the Atlanta MSA, with 25% of the

www.mercyhousing.org

1999 Broadway • Suite 1000 • Denver, Colorado 80202 • 303.830.3300 • Fax: 303.830.3333

Mercy Housing is sponsored by communities of Catholic Sisters.

total homes sold or rented to households earning at or below
50% of the AMI for the Atlanta MSA.

LOAN: \$3,000,000 line of credit

INTEREST RATE: 6.5%, or another rate to be based upon, but not limited to, MLF's
cost of funds, risk and term at the time of loan commitment.

TERM: 36 months

LOAN TO PURCHASE PRICE: Not to exceed 90% per home acquisition

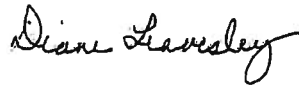
FEES: Origination fee 1.0% of loan amount
Legal and lender administrative fees estimated at \$3,000

TAKE-OUT COMMITMENT: To be repaid from the proceeds of homebuyer mortgages or
closing into the Self Help lease-purchase line of credit.

If you have any questions, please feel free to give us a call at 303-830-3386.

Sincerely,

MERCY LOAN FUND



By: Diane Leavesley
President



Underground Atlanta
86 Pryor Street SW, Suite 300
Atlanta, GA 30303
Telephone: (404) 880-4100
Facsimile: (404) 880-9333

June 26, 2009

Ms. Evelyn Nu'man
Director of the Bureau of Housing
Department of Planning and Community Development
68 Mitchell Street
Suite 1200
Atlanta, GA 30303

Re: Neighborhood Stabilization Program 2 (NSP2)

Dear Ms. Nu'man:

As you are aware, Imagine Downtown, Inc. ("IDI") received two New Markets Tax Credit ("NMTC") awards for a total of \$80,000,000 to provide a financing vehicle for commercial, mixed use residential and small business lending targeted to Atlanta's low income communities.

Recently, IDI has met with members of Atlanta NSP2 Consortium to discuss the redevelopment of designated neighborhoods in the City of Atlanta. Based on these initial conversations and the proposed scope of the program, we believe that this NSP is a good candidate for New Markets Tax Credit ("NMTC") funding for certain portions of the overall program. Currently, IDI has up to \$10,000,000 of NMTC allocation that can be used in NSP2 designated neighborhoods.

The proposed program would contribute to several of the goals articulated within the City's New Century Economic Development Plan. The NSP2 target areas have seen relatively modest interest by residential developers and the redevelopment of vacant and foreclosed properties would contribute greatly to neighborhood resurgence.

Subject to staff due diligence, financial underwriting, IDI Board support and approval, the NSP2 Consortium proposal appears to satisfy the policy requirements of IDI. The community benefits from residential, commercial redevelopment and small business support will continue to further the redevelopment of Atlanta. I look forward to working with you and thank you for your willingness to invest in the future of our city.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Wyman Winston', with a long horizontal line extending to the right.

Wyman Winston
Deputy Director
Tax Allocation Districts

Citizen Comments on City of Atlanta Consortium's Application for Funding from the Neighborhood Stabilization Program 2

The City of Atlanta Consortium held a public hearing and posted information regarding the NSP2 application on the City of Atlanta website and in the Atlanta Journal Constitution (AJC). Notice and dates regarding these events are as follows:

- June 24 - Advertised public hearing in AJC
- June 29 – Held Public Hearing
- July 2 – Advertised program details in AJC, including address and email to provide public comment
- July 2 – July 13 – Official Public Comment period
- July 13 - Public comment period closed

Citizen Comments From Public Hearing Held on 6/30/2009

- 1) What is wording of the public comment requirement? How do people know when and where to comment?
- 2) How did we derive the 50% of AMI requirement?
- 3) How many successfully units has the Consortium successfully completed?
- 4) Why in Factor 4 did the Consortium choose to address the leverage and not the substantial negative effect?
- 5) Is there a list of those entities not selected for the Consortium available?
- 6) Did NSP1 recipients that were not selected have an opportunity to be a part of the Consortium?
- 7) Comment – There is a need to better educate citizens so that they are able to ask the right questions at the Public Hearings.
- 8) Is there funding opportunities for other people or entities,

Citizen Comments Collected During Official Public Comment period

- 1) Concern about the number of rental units to be created through the NSP2 application given the high number of investor and rental units currently located in the Target Geography. A more homeownership based approach would be better to create a stable neighborhood.

Location of Notice Online:

The Notice regarding the details and soliciting public feedback was posted on the City of Atlanta's website at this address:

http://atlantaga.gov/government/planning/foreclosure_040709.aspx#nsp2.

City of Atlanta Online: Mozilla Firefox

File Edit View History Bookmarks Tools Help

http://atlantaga.gov/planning/consortium-050106.aspx

Most Visited Latest Headlines News Financial Misc Hotmail Gmail Pandora Radio Yahoo! Google Calendar City of Atlanta

Microsoft Outlook Web Access City of Atlanta Online

NEIGHBORHOOD STABILIZATION PROGRAM 2

The City of Atlanta, Department of Planning and Community Development, Bureau of Housing (COA) received twenty-five (25) responses to the NSP2 Letter of Intent for development partners interested in being apart of the City's NSP2 Consortium. For a listing of who submitted responses, please click [here](#). The City and the Atlanta Development Authority have selected Integral Development, LLC., and the Atlanta Neighborhood Development Partnership (in collaboration with MacCallan Group and NorSouth Companies) to be apart of the City's Consortium application for NSP2.

The City of Atlanta Consortium application will be for funds to purchase and rehabilitate foreclosed/abandoned or vacant properties to be later sold or rented; to develop new housing for rent or sale; to provide down payment assistance to eligible homebuyers; to demolish blighted structures impacting NSP2 projects; and to land bank properties for later development or disposition. All funds expended will benefit households earning less than 120% of Area Median Income with at least 25% of funds for households earning 50% of Area Median Income or less. Targeted geographies will the following census tracts: 8, 22, 23, 24, 25, 26, 27, 33, 38, 39, 40, 41, 42, 52, 55 01, 55 02, 56, 57, 58, 60, 61, 62, 63, 64, 65, 66 01, 66 02, 67, 69, 75, 76 01, 76 02, 77 01, 78 05, 78 06, 78 07, 78 8, 82 01, 83 01, 83 02, 84, 85, 86 01, 205, 206, 207, 209, 208 01, 208 02. These census tracts are located in portions of 30307, 30310, 30311, 30312, 30314, 30315, 30316, 30317, 30318 and 30331 zip codes.

Comments on the application may be submitted in writing to the following address:

Bureau of Housing
City of Atlanta
68 Mitchell Street, Suite 1200
Atlanta, Georgia 30303

Comments may also be submitted in writing to the following email address: BureauofHousing@atlantaga.gov. Comments must be received by July 13, 2009.

To view a copy of the NSP2 Presentation, please click [here](#).
To view a copy of the NSP2 Target Area Map, please click [here](#).

Metro & Obituaries

Perdue to pick new justice

Short list

continued from B1

courtroom, former Gov. Zell Miller swore in Carol Huston as the new chief justice and George Carley as presiding justice.

Perdue dropped by before the ceremony to give Huston his regards. He does not have to pick the state's next justice from the short list of nominees. But he will meet with each one individually before making his decision.

The nine nominees are: Stephen Louis A. Dillard, 39, a Macon lawyer, specializes in appellate practice and complex litigation and once handled indigent defense cases in Bibb County. Dillard worked for the McCain-Palin campaign and is a district chairman for Secretary of State Karen Han-dels gubernatorial campaign.

Jim Kelly, 53, an Atlanta lawyer, has served as director of international affairs for the Washington-based Federalist Society for Law and Public Policy Studies. In 2004, Kelly co-authored the "faith and family services" amendment, which would have allowed state tax dollars to be given to religious institutions for the



Former Gov. Zell Miller (left) swears in Carol Huston as the new chief justice of the Georgia Supreme Court at the Capitol in Atlanta on Wednesday. John Amis/Associated Press

case of the elderly, homeless and orphaned.

David Nalmias, 44, has been U.S. attorney in Atlanta since November 2004. Nalmias supervised the corruption prosecution of former Atlanta Mayor Bill Campbell, and is a former law clerk to U.S. Supreme Court Justice Antonin Scalia and a former deputy assistant attorney general.

Superior Court Judge Samuel Osburn, 57, presides over cases in Newton and Walton counties. Osburn, appointed to the bench in 1995 by Miller, has led a special Council of Superior Court Judges committee on court security.

Gwinnett County Superior Court Judge William Ray, 46, was appointed to the bench by Gov. Roy Barnes in 2002. He is a former Lawrenceville trial lawyer and was a GOP state senator from 1996 to 2002. A Fulton County Superior Court Judge Craig Swell, 45, was put on the State

Court bench by Perdue in 2003 and in his current position in 2005. Swell is a former Fulton County Republican Party chairman.

Colby County Superior Court Judge Mary Staley, 56, a former State Court judge, won election to her current judgeship in 1992. Staley was on the short list for two federal judgeships during the Bush administration.

Henry County State Court Chief Judge Benjamin Studdard III, 47, has sat on the bench since 1999. He is a former city attorney for Hampton.

Rocco Testani, 42, an Atlanta lawyer for the Southern Bell, focuses on complex business and commercial litigation. Testani, who gave \$10,000 to Perdue's election campaign, defended the state in a now-dismissed lawsuit brought by natural school districts that claimed insufficient state funding results in poor student achievement.

Obituaries

JAMES EARL TINDALL 71

Retired Army colonel a top-notch repairman

Woodworking, electrical, yard work were hobbies.

By Shane Blatt
blatt@ajc.com

Retired Col. James Tindall was a strait-laced, large-life figure who could fix anything — often with duct tape.

"I probably remember him best for taking care of things around the house in very interesting ways," son Whit Tindall said.

Col. Tindall was a do-it-yourselfer of a guy who enjoyed woodworking, electrical and yard work. He kept a well-stocked shop full of tools, some of which he fashioned out of duct tape. And if something needed repair, he'd often turn to the thick, all-very adhesive.

"He fixed brake lines with duct tape, whirled worked great until you got to the clutch," Tindall said with a laugh.

Blue Bessie, the colonel's 1971 Toyota station wagon, was the beneficiary of his fix-it efforts. To repair the steering wheel, he used coat-hanger wire. To secure the battery, he used baling wire and trunks balls.

To cover a hole in the passenger side floorboard, he simply threw down a mat.

The School Board has not taken an official position on Milton County. Commissioners are on record opposing its creation, and that's prompted them to ask if they can prevent their own members from supporting a new Milton. David Ware, county attorney, said the majority can't muzzle minority members.

"We are elected to represent the interests of our constituents," Riley said. "By design, we don't always agree. If we did, we'd only need one member."



Col. James Tindall (left) and friend Col. Bill Hughes work on Blue Bessie, his 1971 Toyota station wagon, family photo.

the driver's seat," Mr. Tindall said.

James Earl Tindall, 71, of Johns Creek died Monday of a heart attack. The funeral will be 10 a.m. July 6 at Georgia National Cemetery near Canton, Alpharetta-South County Funeral Home is in charge of arrangements.

Born in 1938, Col. Tindall grew up in Magee, Miss. He attended the University of Mississippi for five years before enlisting in the U.S. Army.

In his more than 30 years, he earned more than 15 commendations and served two tours in Vietnam.

In his first tour, he flew Huey helicopters. In his second, he was one of first pilots to fly the Cobra gunship, a precursor to the Apache. After his tours, he became an instructor pilot.

Retired Col. Bill Hughes was Col. Tindall's lifelong friend. As privates in 1961, they went through officer candidate school together at Fort Sill, Okla.

In 2001, Col. Tindall was inducted into the Field Ar-

tillery Officer Candidate School Hall of Fame. "He was more proud of that than any other award or decoration he received," Col. Hughes said. "It was not for one single act, but for a lifetime of service."

Col. Tindall's military duties meant the family moved a lot. In fact, by the time Mr. Tindall left high school, the family had relocated 18 times. At one time, they resided in Europe at the height of the Cold War.

Mr. Tindall said growing up, he didn't understand — or even like — his dad's authoritarian, no-nonsense or miserly ways. But the 41-year-old said his impression has changed.

"When I was younger, I thought he was absolutely crazy," he said. "Now that I've gotten older, the things he did make a lot more sense. I don't know if that means I'm getting crazy or maturing a bit."

Additional survivors include his wife, Nina Tindall; a son, Lee Tindall; Woodstock; a brother, Dr. George Tindall of Meansville; and a sister, Jo Windham of Coito de Casa, Calif.

Milton advisers queried

Milton

continued from B1

"This is a legislative advisory committee," Burkhalter said. "They are all citizens first and elected officials second. This is in no way a conflict. They are fully entitled to have their own positions."

Riley said Wednesday she would tread very carefully as she makes moves that could impact Fulton's future and on issues involving the possibility of a new Milton County. "I respectfully disagree that there's a conflict," Riley said.

Widener said she could understand why opponents of the new county see a potential conflict. She noted her constituency's overwhelming support for splitting Fulton could come at the expense of the countywide School Board or school system.

"That's the ugly story I'm elected to walk," Widener said. "I'm not going to bury my head in the sand and be

so naive as to say this isn't going to happen."

Efforts to contact Reeves were unsuccessful. The School Board has not taken an official position on Milton County. Commissioners are on record opposing its creation, and that's prompted them to ask if they can prevent their own members from supporting a new Milton. David Ware, county attorney, said the majority can't muzzle minority members.

"We are elected to represent the interests of our constituents," Riley said. "By design, we don't always agree. If we did, we'd only need one member."

FDIC COMMUNITY BANK OF WEST GEORGIA VILLA RICA, GA

On June 28, 2009 (the "Closing Date"), the Georgia Department of Banking and Finance closed COMMUNITY BANK OF WEST GEORGIA, VILLA RICA, GA, 30180 (the "Fails Institution") and appointed the Federal Deposit Insurance Corporation as Receiver (the "Receiver") to handle all matters relating to the Fails Institution.

TO THE CREDITORS OF THE FAILED INSTITUTION
All creditors having claims against the Fails Institution must submit their claims in writing, together with proof of the claim, to the Receiver by September 28, 2009 (the "Due Date"), at the following address:

FDIC as Receiver of COMMUNITY BANK OF WEST GEORGIA
1201 Bryan Street, Suite 1700
Atlanta, Georgia 30309

Under federal law, with certain limited exceptions, failure to file such claims by the Due Date will result in disallowance by the Receiver. The disallowance will be final, and further rights or remedies with regard to the claims will be barred by 11 U.S.C. Section 114(c)(2)(A)(ii).

TO THE INSURED DEPOSITORS OF THE INSTITUTION
Depositors of the Federal Deposit Insurance Corporation, which insures your deposits in its capacity as the FDIC, will continue to be insured by the FDIC. The FDIC will continue to be insured by the FDIC. The FDIC will continue to be insured by the FDIC.

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FDIC NEGROBROOD COMMUNITY BANK NEWMAN, GA

On June 28, 2009 (the "Closing Date"), the Georgia Department of Banking and Finance closed NEGROBROOD COMMUNITY BANK, NEWMAN, GA, 30268 (the "Fails Institution") and appointed the Federal Deposit Insurance Corporation as Receiver (the "Receiver") to handle all matters relating to the Fails Institution.

TO THE CREDITORS OF THE FAILED INSTITUTION
All creditors having claims against the Fails Institution must submit their claims in writing, together with proof of the claim, to the Receiver by September 28, 2009 (the "Due Date"), at the following address:

FDIC as Receiver of NEGROBROOD COMMUNITY BANK
1201 Bryan Street, Suite 1700
Atlanta, Georgia 30309

Under federal law, with certain limited exceptions, failure to file such claims by the Due Date will result in disallowance by the Receiver. The disallowance will be final, and further rights or remedies with regard to the claims will be barred by 11 U.S.C. Section 114(c)(2)(A)(ii).

TO THE DEPOSITORS OF THE INSTITUTION
Depositors of the Federal Deposit Insurance Corporation, which insures your deposits in its capacity as the FDIC, will continue to be insured by the FDIC. The FDIC will continue to be insured by the FDIC. The FDIC will continue to be insured by the FDIC.

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Legal Notices

NOTICE
The City of Atlanta is soliciting proposals for the construction of a new municipal building. The building will be located at the intersection of Peachtree Street and Peachtree Avenue, NE. The building will be approximately 100,000 square feet in size. The building will be used for the City's administrative offices. The building will be owned by the City of Atlanta. The building will be constructed by a private contractor. The building will be completed by the end of 2010. The building will be named the "City of Atlanta Municipal Building".

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Legal Notices

NOTICE

In accordance with the Department of Housing and Urban Development Notice of Fund Availability for the Neighborhood Stabilization Program 2, this shall serve as notice that a consortium led by Life Transitions Academy will apply for NSP2 funding covering Census tracts 83.01, 83.02, and 84 within portions of NPU's J and K in the City of Atlanta. Requested funds shall not exceed \$7,250,000 and will be used to redevelop vacant, functionally obsolete single and multi-family residential properties. Further information and an opportunity to comment can be found at www.interlaced.us.

NOTICE OF INTENT TO AWARD

Notice is hereby given that not sooner than five (5) days after the publication hereof, the Metropolitan Atlanta Rapid Transit Authority (MARTA) intends to award the following contract:

CP B11136 Bus Supervisor Booths. Beatty Construction Company - \$775,806.28 (Contract Term 150 calendar days). Funded by Local Capital Funds.

A summary of the terms of the contract is available at the Office of Contracts & Procurement and Material, MARTA 2424 Piedmont Road, N. E. Atlanta, GA 30324.

Beverly A. Scott, Ph.D.

General Manager/CEO

View MARTA'S

VENDOR OPPORTUNITIES

<http://www.itsmarta.com>

NOTICE OF SEIZURE AND INTENT TO FORFEIT

DEPARTMENT OF HOMELAND SECURITY, CUSTOMS AND BORDER PROTECTION - Notice is hereby given as required by 19 USC 1607 and 19 CFR 162.45 of the seizure and intent to forfeit the property described below which is in violation of Customs laws and/or other pertinent statutes. Any person having a legal interest therein and desiring to claim any of the listed property must appear at the Office of the Fines, Penalties and Forfeitures Officer, U. S. Customs and Border Protection, 4341 International Parkway, Suite 600, Atlanta, Georgia, and file within twenty (20) days of the date of the first publication, a claim to such property and a cost bond (in the appropriate amount). In default of which, the property will be declared forfeited to the United States and disposed of in accordance with the law.

PUBLIC NOTICE

The City of Atlanta is soliciting comment on our application for funding under the Neighborhood Stabilization Program 2 (NSP2). The City of Atlanta is applying for not more \$75 million of funding from the U.S. Department of Housing and Urban Development (HUD). The City of Atlanta is forming a consortium with the Atlanta Development Authority, Atlanta Neighborhood Development Partnership, Inc. team (including the MacCallan Group and NorSouth Companies) and the Integral Group, LLC. Information regarding NSP2 can be founded at the following link: <http://www.hud.gov/offices/cpd/community-development/programs/neighborhoodspg/index.cfm>.

The City of Atlanta application will be for funds to purchase and rehabilitate foreclosed/abandoned properties to be later sold or rented; to develop new housing for rent or sale; to provide down payment assistance to eligible homebuyers; to demolish blighted structures impacting NSP2 projects; and to land bank properties for later development or disposition. All funds expended will benefit households earning less than 120% of Area Median Income with at least 25% of funds for households earning 50% of Area Median Income or less. Targeted geographies will the following census tracts: 8, 22, 23, 24, 25, 26, 27, 33, 38, 39, 40, 41, 42, 52, 55.01, 55.02, 56, 57, 58, 60, 61, 62, 63, 64, 65, 66.01, 66.02, 67, 69, 75, 76.01, 76.02, 77.01, 78.05, 78.06, 78.07, 78.8, 82.01, 83.01, 83.02, 84, 85, 86.01, 205, 206, 207, 209, 208.01, 208.02. These census tracts are located in the 30310, 30311, 30312, 3014, 30315, 30316 and 30318 zip codes.

Comments on the application may be made in writing to the following address:

Bureau of Housing

City of Atlanta

68 Mitchell Street, Suite 1200

Atlanta, Georgia 30303

Comments may also be submitted in writing to the following email address: BureauofHousingNSP@atlantaga.gov. Comments should be received no later than July 13, 2009.

PUBLIC NOTICE

The Public Safety and Legal Administration

Definitions

Blighted Structure

The State of Georgia defines blight as a developed property that is conducive to ill health, transmission of disease, infant mortality, or crime in the immediate proximity of the property and represents at least two of the following conditions:

- Uninhabitable, unsafe, or abandoned structures;
- Inadequate provisions for ventilation, light, air, or sanitation;
- An imminent harm to life or other property caused by fire, flood, hurricane, tornado, earthquake, storm, or other natural catastrophe respecting which the Governor has declared a state of emergency under state law or has certified the need for disaster assistance under federal law; provided, however, this division shall not apply to property unless the relevant public agency has given notice in writing to the property owner regarding specific harm caused by the property and the owner has failed to take reasonable measures to remedy the harm;
- A site identified by the federal Environmental Protection Agency as a Superfund site pursuant to 42 U.S.C. Section 9601, et seq., or environmental contamination to an extent that requires remedial investigation or a feasibility study;
- Repeated illegal activity on the individual property of which the property owner knew or should have known; or
- The maintenance of the property is below state, county, or municipal codes for at least one year after notice of the code violation.

Affordable Rents

For the Neighborhood Stabilization Program, "affordable rents" are defined as the annual Fair Market Rents (FMR) established by HUD. FY 2009 HUD Fair market Rents for Atlanta MSA are identified in the following table.

FY 2009 HUD Fair Market Rents	Zero Bedroom	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom
Atlanta - Sandy Springs - Marietta, GA HMFA	\$729	\$789	\$878	\$1069	\$1166

The annual rental amounts based upon bedroom size will be adjusted on annual basis, consistent with the established fair market rents published by HUD each fiscal year. The monthly rent, including the cost of utilities (except telephone), is established by HUD for units of varying sizes (by number of bedrooms) and is published in the Federal Register in accordance with 24 CFR parts 888. The City will enforce affordable rent requirements through security deed restrictions and a promissory note in the amount of the total NSP investment dedicated to the identified project.

Housing Rehabilitation Standards

The Consortium will use the City of Atlanta Bureau of Housing's "Lead Based Reduction & Rehabilitation Standards" as the guide to repair foreclosed and abandoned properties and bring each property up to Atlanta Housing Code. Either City of Atlanta staff or third-party contractors

will inspect each property and develop a scope of work. In 2008, the City implemented the "Affordable Workforce Housing Green Building Policy." It encourages nonprofit developers that are applying for federal funds for residential construction (new and rehab) to incorporate green building practices into their programs. The green guidelines of the Enterprise Green Communities Criteria and the Earth Craft House Program were implemented to measure green standards in each project. The Consortium will incorporate these requirements in NSP2.



National Community Stabilization Trust

1325 G Street, NW, Suite 800 • Washington, DC 20005-3100 • p: (202) 220-2300 • f: (202) 376-2600

July 10, 2009

Ms. Valerie Fountaine
NSP Program Manager
City of Atlanta
Department of Planning & Community Development
Bureau of Housing
68 Mitchell Street
Atlanta, GA 30303

Dear Ms. Valerie Fountaine,

The National Community Stabilization Trust (the "Stabilization Trust") is a joint venture of Enterprise Community Partners, Housing Partnership Network, Local Initiatives Support Corporation (LISC), National Council of La Raza, NeighborWorks America, and the National Urban League (collectively, the "Sponsors"). The Stabilization Trust is a specialty lender designed to aggregate capital from private financial institutions, governmental sources, philanthropic sources and social investors to provide financing products in targeted localities that will facilitate the acquisition and redevelopment of REO across the nation. The Stabilization Trust is working with capital providers and will apply to HUD for an allocation of NSP2 funds to establish and capitalize the Stabilization Trust's proposed financing products.

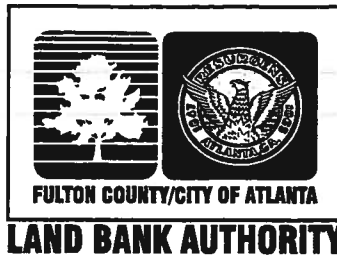
The City of Atlanta's proposed activities generally include eligible activities under the Neighborhood Stabilization Program including the acquisition, rehabilitation and redevelopment of foreclosed or abandoned property and other strategic/underutilized properties. The Stabilization Trust has discussed with the City of Atlanta, your interest in obtaining a Revolving Line of Credit financing facility of \$19,400,000. Financing from the Stabilization Trust will be made available via its leveraged private capital and available philanthropic monies. The Stabilization Trust offerings will be further enhanced to the extent NSP funds are made available.

It is the Stabilization Trust's intention to provide a Revolving Line of Credit to the City of Atlanta. The Stabilization Trust's financing commitment will be subject to final NSP2 funding approval, documentation, and due diligence.

We look forward to working with you on this important program.

Sincerely,

Craig Nickerson
President
National Community Stabilization Trust



2009 JUL 9 PM2:57:30

July 8, 2009

Ms. Evelyn Nu'Man
Director
Department of Planning & Community Development
Bureau of Housing
City of Atlanta
68 Mitchell Street, S.W.
Suite 1200
Atlanta, GA 30303

Dear Ms. Nu'Man,

Since its inception in 1991, the Fulton County/City of Atlanta Land Bank Authority, Inc. ("Land Bank") has been an integral part of the short and long term development and redevelopment efforts of the City of Atlanta and Fulton County. We are proud of our partnership with the City of Atlanta and our contributions to the development landscape over the past 18 years. The Land Bank is very pleased to be a sub-recipient of \$375,000 in Neighborhood Stabilization Program ("NSP") funds from the first round of NSP funding provided to the City of Atlanta under the Housing and Economic Recovery Act of 2008. As you know, these funds will be utilized to provide critical land banking services for eligible NSP properties in eligible NSP target areas.

We are excited to vigorously support the application from the City of Atlanta Consortium for funds under the Neighborhood Stabilization Program 2 ("NSP2"). The Land Bank Authority is prepared to assume the important role of providing essential land banking services in targeted areas that will contribute to stabilization efforts and future development.

Please contact us if you need any additional information or documentation to support the application for funds under NSP2.

Regards,

Christopher Norman
Chair – Board of Directors



Atlanta Housing Authority

July 15, 2009

Evelyn Nu'Man, Director
Bureau of Housing
City of Atlanta
68 Mitchell Street SW
Suite 1200
Atlanta, GA 30303

Dear Ms. Nu'Man:

Atlanta Housing Authority (AHA) is pleased to support the application for NSP2 funds by the City of Atlanta, Atlanta Neighborhood Development Partnership (ANDP), and Integral Properties.

The proposed target areas are in proximity to substantial mixed-income revitalization sites either developed or under development involving AHA:

Group 1: The Group 1 target area includes two of AHA's revitalization sites (the Village of East Lake, on the site of East Lake Meadows) and (Auburn Pointe, on the site of Grady Homes). Working with our development partners, more than \$387 million of public and private resources will be invested in these revitalization sites

- *Villages at East Lake – 2 phases have been completed totaling 552 rental units - \$64.9 million investment on site which has leveraged an additional \$61 million investment in the surrounding community.*
- *East Lake Highrise – currently investing \$2.2 million in ARRA funds on capital improvements*
- *Auburn Pointe – 4 phases currently under development totaling 545 units; when completed, there will be more than \$155 million in total investment on site which will leverage an additional \$104 million in investment in the surrounding community.*

Group 2: Group 2 includes the area around one of AHA's largest revitalization sites to date, the Villages at Carver. Working with its development partners, there have been six phases totaling 851 mixed-income rental units completed to date; upon completion, there will be more than \$219 million invested on site that will leverage more than \$168 million in the surrounding community.

Group 3: Group 3 targets the area around the Atlanta University Center campuses, and AHA has redeveloped two of its former public housing sites in that community: The Village at Castleberry Hill (on the site of John Hope Homes) and Magnolia Park (on the site of John Eagan Homes). Currently, two

The Housing Authority of the City of Atlanta, Georgia

230 John Wesley Dobbs Avenue, N.E. • Atlanta, Georgia 30303-2421 • Phone: 404.892.4700 • www.atlantahousing.org

other public housing communities are undergoing revitalization: CollegeTown at West End (on the site of Harris Homes) and University Homes. Group 3 also includes the neighborhoods adjacent to Mechanicsville (on the site of McDaniel Glenn). By completion, there will be a total of more than \$1 billion of investment of public and private resources in and around these sites:

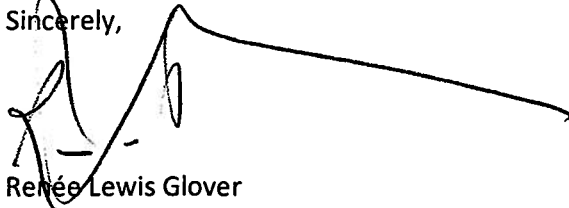
- *Magnolia Park – two phases completed totaling 400 units; on-site investment totals \$38 million which will leverage more than \$161 million in the surrounding community*
- *Village at Castleberry Hill – two phase completed totaling 281 units with total investment of \$44 million on site that is leveraging more than \$304 million in the surrounding community*
- *CollegeTown at West End – five phases under development totaling 779 units; on completion, there will be a total investment on site of \$234 million leveraging more than \$102 million investment in the surrounding community*
- *Mechanicsville – five phases under development totaling 813 rental units; total investment on site will be \$184 million on site, which will leverage more than \$64 million in the surrounding community.*

Group 4: In this area, AHA is investing \$2 million in Adamsville Green, which will be a \$13 million new senior community with a special emphasis on serving disabled seniors.

Obviously, the amount of public and private resources being invested in these communities is very significant. However, there are still many pockets where more investment is needed to stabilize single-family and multifamily properties. The targeted investments proposed by the consortium will work hand-in-hand with the public and private investments that have already been made in these communities and will help facilitate the long term sustainability of these communities.

We wish you much success with your application and revitalization efforts. Please feel free to call Joy Fitzgerald at 404-685-4377 if you need any additional assistance.

Sincerely,



Renée Lewis Glover
President and Chief Executive Officer

Cc: Joy Fitzgerald

Neighborhood group adjusts to economic crisis

Until a few months ago, Atlanta Neighborhood Development Partnership Inc. (ANDP) focused its efforts on helping build mixed-income communities where nurses, public safety workers and teachers could live close to where they work.

But the mortgage meltdown, combined with record foreclosures, has changed all that.

"Literally in a matter of months, we saw decades worth of work fall to the side," said John O'Callaghan, president and CEO of ANDP. "We are in an economic crisis that we have not seen since the Great Depression. It's affecting our families, our neighborhoods, our jobs."

O'Callaghan, speaking Oct. 14 at the luncheon meeting of the Kiwanis Club of Atlanta, said our state has been particularly impacted.

Foreclosure rates are about three times greater than those in North Carolina, partly because in Georgia a home can be foreclosed on within 37 days.

Also in 2000, there were 11,000 subprime loans in Atlanta; and in 2007, there were 200,000 subprime loans in the city.

As a result of the economic shifts, ANDP has been adjusting its priorities. It just closed on the purchase of its first foreclosed home to help shore up communities and provide housing options.

O'Callaghan said the plan is to buy another five foreclosed homes in the next months and a total of 50 in the next year.

In the past six weeks, ANDP has submitted 24 grant requests for its various initiatives. It is seeking a \$1 million grant to help it purchase foreclosed homes. And it is trying to get another \$4 million in additional low-interest capital to build its loan fund to \$15 million. That loan would be repaid with interest.

"I wish I wasn't working on this issue every day," O'Callaghan said. "I wish we were building new places to live."

VETERAN REALTOR RETIRES. The "grandmother of relocations" retired this week. Barbara Gunn, a staple at Harry Norman, Realtors for 30 years, has decided to call it a day at the young age of 77.

Looking back on her career, Gunn said her "peak" was in 1991 when she was integral to getting United Parcel Service Inc. to move its headquarters to Atlanta.

She was given six hours to give a tour of Atlanta's neighborhoods to a mystery group of executives on March 5, 1991, on a beautiful spring day when the azaleas were in bloom.

As Gunn found out later, Atlanta was ranked third behind Dallas and Baltimore as the city where UPS would move its headquarters.

When she finished giving the 12 unknown executives the tour of Atlanta (complete with golf courses), she told them: "I really hope you will choose Atlanta because I feel you will be great corporate citizens."

One gentleman, who she later realized was UPS' then-CEO Oz Nelson, asked her if they'd be welcome no matter who they were. Of course she said yes.

When UPS executives returned to their Greenwich, Conn., headquarters, Nelson asked everyone who had toured the three cities to write down their first choice. The vote was unanimous for Atlanta.

"I probably should have retired then," Gunn said. "But I didn't quit because I was having too much fun."

Gunn also had several other victories, often working in partnership with her competitors. Some of those relocations were: Georgia-Pacific, State Farm Insurance,

Kimberly-Clark, American Cancer Society, Met Life and Canada Life Insurance.

As for the future, Gunn said she might go to work part time, saying: "I don't know what I'm going to do when I grow up."



Maria Saporta

COLES' NEXT CHAPTER.

One of Atlanta's most colorful executives — Michael Coles

— also doesn't know his next step in life. Until January, Coles was CEO of Caribou Coffee, where he had been for five years.

Coles, founder of the Great American Cookie Co., also made a significant gift to Kennesaw State College and University's

business school (now bearing the Coles name).

Although his home is Atlanta, Coles has been spending much of his time this past year out of town. But come Oct. 20, Coles will be back living full time in Atlanta looking to make his next move.

"I've been keeping my powder dry," said Coles, who continues to serve on Caribou's board. "I think there are going to be a lot of companies that are going to need help. I'm literally looking for another chapter in my life. I just haven't found the right thing that's gotten me excited. But something will come up."

Politics? "No," Coles, 64, answered decisively. Back in 1998, Coles was the Democratic nominee for U.S. Senate running against the late Paul Coverdell. "There's just no chance," Coles said of a future political career.

"If I were to have done it, it would have

been this year after I left Caribou [for another bid for U.S. Senate against Saxby Chambliss]. I just didn't have the fire in the belly."

FORT MAC UPDATE. The Fort McPherson Redevelopment Planning Authority hopes to get final approval on its plan in the next few weeks from the U.S. Department of Housing and Urban Development, which reviews plans to house the homeless on closed military bases. Then the U.S. Army will need to approve the plans to redevelop the site. Felker Ward, chairman of the authority, said the planning effort will shift to implementation by next spring. Gov. Sonny Perdue will name the implementation authority members, which could include some of the existing board members. So when he was asked if he will stay on, Ward said: "I haven't been offered that opportunity yet."

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WHERE ATLANTA DOES BUSINESS

Seniors gain new space

At a time when many real estate projects have slowed down or come to a halt, there was a grand opening last Thursday of Ashford Landing, a 117-unit apartment complex for seniors on the site of the former public housing project near Ashford Dunwoody and Johnson Ferry Roads.



More of this story



Pet of the week: Spruce

Spruce is a handsome brown and tan Miniature Pinscher with matching soft brown eyes. He is five years old and weighs 11 pounds. Spruce is a sweet little guy with a mysterious past. He arrived at a local animal control with what looked to be grease burns on his back. He's clearly gone through a lot just to get to SmallDog Rescue, where he can finally find a loving home. Understandably, he can be a little shy on first meeting, but he warms up quickly and enjoys attention. Due to his small size and history, Spruce will need an adult-only home now and in the future.



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News

Seniors gain new space

Tuesday, June 30, 2009 10:33 AM EDT

By Rebecca Chase Williams
For The Crier

At a time when many real estate projects have slowed down or come to a halt, there was a grand opening last Thursday of Ashford Landing, a 117-unit apartment complex for seniors on the site of the former public housing project near Ashford Dunwoody and Johnson Ferry Roads.



"It is a very proud day," said DeKalb County Commissioner, Kathie Gannon, who was there for the opening ceremonies.

But the project has not been without its setbacks as it started about the time the financial crisis began.

"We had financial partners that disappeared," said developer Dave Dixon of Norsouth Companies. "We were within sixty days of not having financing."

Total development cost for Ashford Landing was \$12 million, with DeKalb Housing Authority providing \$1.28 million, and tax credits provided by the Georgia Department of Community Affairs. But it was Sun Trust Bank that stepped in with the debt and equity financing so the project could proceed.

"It is something to celebrate," said Dixon, "This is not a failed project. We slowed down, but we are still moving."

Next spring, construction is set to begin on a third phase of apartments for seniors. Still, other plans for the mixed-use, mixed income development are on hold. The developers for the planned 70,000 square foot retail village and the luxury apartments on Ashford Dunwoody have backed out, but Dixon is optimistic, saying, "We are working on it and hope it will move forward next year."

The 56-acre development, called Brookleigh, is owned by the Housing Authority of DeKalb County and is a re-development of the Johnson Ferry East public housing that was built in 1948. The majority of those units have been demolished, and many of those residents have been relocated into the new apartments on the site. Ashford Parkside, with 150 units opened earlier this year. Both Ashford Parkside and Ashford Landing are for seniors who qualify for subsidized rents. Both units are almost completely rented.

A tour of the new Ashford Landing looks nothing like any public housing of the past. The apartments feature designer kitchens, crown molding, and washer-dryer connections. The building has a wellness center, a library, computer center, multipurpose event room with kitchen and large flat-screen TV, individual gardening plots, and outdoor living rooms throughout the building.

The largest group of residents are Korean, but signs around the property are written in Korean, Russian and Spanish, reflecting the diverse mix of the residents. According to resident and Housing Authority Board member, Charles Yi, all residents have to be permanent residents and many are naturalized citizens including Mr. Yi.

"This community is very suitable to the Asian community as it is easy for children to come visit their family members," said Yi.

In his remarks at the grand opening ceremony, Yi said, "We residents have dreamed of this day. On behalf of all the residents, let me thank you for letting our dream come true."

Print this story

ONLINE POLL

Business owners:
Have you received a notice of an audit of your DeKalb County business license recently?

- ☐ No
- ☐ Yes, just got it
- ☐ Yes, got it recently
- ☐ Got one last year
- ☐ Don't know/doesn't apply

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Program seeks to stabilize neighborhood

Nonprofit makes deals with residents

By D.L. BENNETT
dbennett@ajc.com

If all goes well, Mia Hicks won't be alone.

In fact, the hope is that she will be part of a movement that will help restore neighborhoods distressed by foreclosure all across metro Atlanta.

Right now, Hicks is enjoying her lease-to-own arrangement for the three-bedroom, two-bath home she shares with her son in Atlanta's Venetian Hills.

"I was just tired of living in an apartment," Hicks said. "So far, this has been pretty good. It's very quiet. And, I'm getting used to raking leaves and doing yard work."

Hicks landed the house in October — after eight years of apartment living — through a deal with the Atlanta Neighborhood Development Partnership, a local nonprofit affordable housing organization which hopes to help repopulate communities hit hard by foreclosure.

Hicks is the first of what ANDP originally planned to be 50 new homeowners the nonprofit hoped to place in Atlanta and the Decatur area over the next few years.

ANDP began organizing its effort early this year with plans to use a combination of loans, grants and subsidies from private sources.

Now, they plan to expand their effort to more homes and more areas with counties across metro Atlanta soon to get more than \$70 million in federal money to help neighborhoods suffering from the real estate collapse.

Overall, Georgia expects to get more than \$153 million from HUD.

"This is a great affordable housing opportunity and a great neighborhood preservation opportunity as well," said John O'Callaghan, president of ANDP.

The nonprofit plans to apply to several counties to get Neighborhood Stabilization Program (NSP) money to replace the money it would have had to raise through foundations and other sources.

If their applications are approved by the federal Housing and Urban Development, Atlanta and Fulton and DeKalb counties within about 60 days will have more than \$40 million to

spend.

The program gives the jurisdictions just 18 months to have projects lined up or whatever's left goes back to HUD. Each jurisdiction has only four years to spend its HUD money.

At a public hearing on Dec. 18, Atlanta housing officials said they are looking for "partners" to help the city spend more than \$12 million — organizations with enough financial ability to bring their own money to deals to make the federal money go farther and make payments on projects up front and be reimbursed by the city.

Officials found an eager audience as well with representatives of more than a dozen neighborhoods and organizations in the crowd — all looking for money.

Still, there were lots of questions. Residents worried that the homes renovated under the NSP would not sell and that if they sold for discount prices they would further depress home values in the neighborhoods the program seeks to help.

Councilman Ceasar Mitchell questioned if there was enough money to make a difference against a problem so pervasive.

"It seems like it's not even enough to be a drop in the ocean," Mitchell said.

O'Callaghan said ANDP hopes to make the money it eventually gets have impact by targeting areas that have declined but not slipped into free fall.

He said the nonprofit already is making offers on properties in Sylvan Hills in Atlanta and the 30032 ZIP code just outside Decatur.

"We are in neighborhoods that are suffering from foreclosure and values falling," O'Callaghan said. "We don't have to buy every home to turn the neighborhood around."

ABOUT THE PROGRAM

Governments all across the state are proposing to spend millions of dollars rehabilitating houses in high foreclosure neighborhoods through the federal Neighborhood Stabilization Program. The program allows local jurisdictions considerable flexibility on how to organize the program and spend the money. So, the rules vary by jurisdiction. Anyone interested in the NSP should contact the housing office in their local county government and see what is available and how to take advantage of the program.

E SATURDAY, DEC. 27, 2008 •••

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